

**Market Feasibility Analysis
Forrest Heights Apartments
Decatur, DeKalb County, Georgia**

**Prepared for
The Georgia Department of Community Affairs**

July 2006

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I. Executive Summary

Real Property Research Group, Inc. has been retained by The Georgia Department of Community Affairs (DCA) to conduct a market feasibility analysis of Forrest Heights Apartments. Forrest Heights Apartments will be a newly rehabilitated LIHTC rental community consisting of 64 units. All of the units will be tax credit and reserved for households with incomes at or below 30 percent, 50 percent, and 60 percent of the Area Median Income. The existing community is located south of downtown Decatur in DeKalb County.

Field work and data collection was conducted in July 2006. The site, comparables, and market area were visited on July 7, 2006 by Tad Scepaniak, Regional Director. The Executive Summary follows and is based on DCA's market study guidelines.

- 1. Market Demand and demand trends for the proposed, existing or rehabilitated units given the existing and proposed economic conditions of the area.**
 - a. Affordability analysis and DCA demand estimates indicate adequate demand to support the proposed units at Forrest Heights.
 - b. DeKalb County's at-place employment increased from 137,971 in 1990 to 304,087 in 2004, an increase of 166,116 jobs or 120 percent over 14 years. DeKalb County added 11,937 jobs in 2004, growth of over four percent from 2003's annual average.
 - c. Unemployment in DeKalb County has been lower than in the nation every year since 1990.
- 2. Stabilization projections for the subject property until a sustaining occupancy level of 93% can be achieved for the project. If stabilization projections for the subject differ significantly from historical data, an explanation must be given.**
 - a. We have estimated that Forrest Heights Apartments should be able to lease up at a minimum rate of 5 units per month. At this rate, the project would be able achieve 95 percent occupancy within 6-12 months. Tenant retention will determine the exact lease-up period. A 12 month lease-up period assumes

no tenant retention, which is extremely unlikely. Fifty percent tenant retention will shorten the lease-up period to six months.

- b. We believe that Forrest Heights apartments should be able to maintain an occupancy level of 93 to 95 percent post renovation, especially given the low proposed rents.

3. Absorption projections for each bedroom category type and for the subject property as a whole.

- a. As noted above, we have estimated that the subject property will lease approximately 5 units per month.
- b. The proportion of monthly absorption is expected to be similar to the overall unit distribution of the proposed unit mix. Average monthly absorption by bedroom size is expected to be 1.25 efficiency units, 1.25 one bedroom units, and 2.5 two bedroom units.

4. Comparable units in the proposed project's primary market area.

- a. Three of the 15 surveyed communities offer LIHTC units. All three of these properties reported a vacancy rate less than seven percent.
- b. Overall, the primary market area's rental market is soft – a result of a handful of poorly performing communities. Among the 2,715 units surveyed, 371 were reported vacant for an overall vacancy rate of 13.7 percent. Five of the surveyed rental communities reported vacancy rates of 17 percent or greater. These five communities account for 83.9 percent of the market area's vacancies (313 of 371), but only 45.4 percent of the total units (1,234 of 2,715).
- c. Eight of the 15 surveyed communities reported a vacancy rate of 7 percent or lower. Despite the high overall vacancy rate, only three of the fifteen surveyed rental communities are currently offering rental incentives. Well maintained communities, including the three with tax credit units, reported low or stable vacancy rates. The subject property, Forrest Heights, currently has a vacancy rate of only 6 percent.

5. Appropriateness of unit rent, unit mixes, and unit sizes.

- a. The proposed rents at Forrest Heights are below the average among all surveyed communities and well below well maintained communities.
- b. The estimated market rents for the proposed units at Forrest Heights are \$507, \$559, and \$678 for efficiency, one bedroom, and two bedroom units, respectively. The proposed rents result in market advantages ranging from 6 to 48 percent. Seven of nine floorplans will have market advantages of at least 10 percent.
- c. The proposed rents appear reasonable and appropriate.

6. Appropriateness of interior and physical amenities include appliance package.

- a. The proposed amenities, including appliance package, will be comparable with similarly and higher priced rental communities in the primary market area. Interior amenities will include a dishwasher, microwave oven, washer/dryer connections, and hardwood floors.
- b. Community amenities will include a playground, community room, fitness center, children's activity center, and a computer room.
- c. The amenities planned at Forrest Heights are appropriate given the proposed rents levels and will be competitive within the primary market area.

7. Location and distance of subject property in relationship to local amenities.

- a. Forrest Heights is located within close proximity to area amenities including shopping, healthcare facilities, and transportation.
- b. The subject property is surrounded by well maintained and attractive single-family detached homes.
- c. Several MARTA bus stops are located along Columbia Drive, including one in front of the subject property.
- d. The subject property is located within approximately one mile of U.S. Highway 278 and Interstate 285.

8. Correlation of the subject property to the eligible tenant target population through an analysis of capture rates for each target tenant segment. Given the target population, existing market conditions and market capture rates less than 30% of all one and two bedroom units, less than 40% for all three bedroom units, less than 50% for all four bedroom units in the project and less than 30% for the LIHTC units, Market Rate and for the project as a whole.

- a. The calculated capture rates for the proposed units at Forrest Heights all fall below these thresholds.
- b. The overall tax credit capture rate is 2.7percent. Capture rates by floorplan range from 0.2 percent to 1.9 percent among nine floorplans.
- c. The above capture rates do not account for tenant retention. It is likely that Forrest Heights will retain at least 50 percent of existing tenants, which will reduce the capture rates proportionally.

9. A candid, detailed conclusion about the strength of the market for the project as proposed.

- a. The primary market area is well suited for a rehabilitation project. The subject property is currently 96 percent occupied. The projected household loss and soft rental market will not negatively affect the proposed renovation as it would a newly constructed community.
- b. The proposed product and rents will be competitive in the primary market area. Forrest Heights will be comparable in terms of appeal and amenities to rental communities with rents well above the proposed LIHTC rents.
- c. Based on affordability and demand estimates, sufficient demand exists to support the renovated units at Forrest Heights.
- d. Although the vacancy rate among all surveyed communities is high at 13.7 percent, well maintained communities including those with LIHTC units, reported stable vacancy rates. Over half of the surveyed communities reported a vacancy rate below 7 percent.
- e. We believe the product is properly positioned and will be well received in the primary market area.

10. Summary Table

Unit Size	AMI Target	Units	Total Demand	Supply	Net Demand	Capture Rate	Absorption*	Avg. Market Rent**	Proposed Rents
Efficiency	30%	2	257	0	257	0.8%	2 Months	\$559	\$280
	50%	12	666	0	666	1.8%	12 Months	\$559	\$450
	60%	2	1,052	0	1,052	0.2%	2 Months	\$559	\$470
	1BR Total	16	1,631	0	1,631	1.0%	12 Months	\$559	\$431
1 Bedroom	30%	7	373	0	373	1.9%	9 Months	\$556	\$295
	50%	9	827	0	827	1.1%	12 Months	\$556	\$486
	60%	4	1,205	0	1,205	0.3%	6 Months	\$556	\$525
	2BR Total	20	1,921	0	1,921	1.0%	12 Months	\$556	\$427
2 Bedroom	30%	3	347	0	347	0.9%	1 Month	\$676	\$355
	50%	17	914	0	914	1.9%	12 Months	\$676	\$541
	60%	12	1,364	0	1,364	0.9%	6-12 Months	\$676	\$575
	3BR Total	32	2,066	0	2,066	1.5%	6-12 Months	\$676	\$536

Proposed Project Capture Rate LIHTC Units	2.7%
Proposed Project Capture Rate Market Rate Units	N/A
Proposed Project Capture Rate All Units	2.7%
Proposed Project Stabilization Period	6-12 Months

*Absorption period will be dependent on level of tenant retention. Individual absorption does not account for tenant retention

**Market Rent for Efficiency Units

II. Introduction

Real Property Research Group, Inc. has been retained by The Georgia Department of Community Affairs (DCA) to conduct a market feasibility analysis of Forrest Heights Apartments. Forrest Heights Apartments will be a newly rehabilitated LIHTC rental community consisting of 64 units. The existing LIHTC community is located on the east side of Columbia Drive in Decatur, DeKalb County, Georgia. The newly renovated rental community will be general occupancy in nature with an emphasis on small to moderately sized family renter households.

All 64 units at Forrest Heights Apartments will benefit from Low Income Housing Tax Credits with 30 percent, 50 percent, and 60 percent AMI units to be offered. Forrest Heights consists of 16 efficiency units, 16 one bedroom units, and 32 two bedroom units contained within twelve two-story residential buildings. Currently, all units have one bathroom. An additional half-bath will be added to the two bedroom units. Unit sizes are 450 square feet, 600 square feet, and 805 square feet for the efficiency, one bedroom, and two bedroom units, respectively.

HUD has computed a 2006 median household income of \$68,100 for the Atlanta MSA, in which the subject site is located. Based on that median income adjusted for household size, the maximum income limit and minimum income requirement is computed for each floorplan in Table 1. The minimum income limit is calculated assuming 35% of income is spent on total housing cost (rent plus utilities). The maximum allowable income and corresponding rents are calculated assuming 1.5 persons per bedroom, rounded up to the nearest whole number per DCA's requirements. The maximum income limit and rent for an efficiency unit is based on a one person household.

This analysis takes into account pertinent trends in housing supply and demand in a distinct market area delineated with respect to the subject site. Conclusions are drawn on the appropriateness of the proposed rents and projected length of initial absorption.

Table 1 Project Specific Rent and Income Limits, Forrest Heights

Unit Type	AMI %	# Units	# Bed	Planned Net Rent	Utility Allowance	Planned Gross Rent	Maximum Gross Rent	Maximum Income	Minimum Income
LIHTC	30%	2	0	\$280	\$66	\$346	\$374	\$14,940	\$11,863
LIHTC	30%	2	1	\$295	\$81	\$376	\$401	\$17,100	\$12,891
LIHTC	30%	3	2	\$355	\$98	\$453	\$481	\$19,230	\$15,531
LIHTC	50%	2	0	\$400	\$66	\$466	\$623	\$24,900	\$15,977
LIHTC	50%	1	1	\$410	\$81	\$491	\$668	\$28,500	\$16,834
LIHTC	50%	2	2	\$500	\$98	\$598	\$801	\$32,050	\$20,503

The report is divided into six sections. Following the executive summary and this introduction, Section 3 provides a project description and an analysis of local neighborhood characteristics. Section 4 examines the socio-economic and demographic characteristics of the delineated market area. Section 5 presents a discussion of the competitive residential environment. Section 6 discusses conclusions reached from the analysis and estimates the demand for the project using growth projections and income distributions.

The conclusions reached in a market study are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors including the performance of management, the impact of changes in general and local economic conditions and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions attached as Appendix I and incorporated in this report.

III. Location and Neighborhood Context

A. Project Description

Forrest Heights Apartments is located south of downtown Decatur in southwest DeKalb County. The subject property is located on the east side of Columbia Drive one-quarter mile north of Memorial Drive and approximately one mile inside (west) of Interstate 285. The existing rental community is bordered by single-family detached homes on all sides. These single family homes have been well maintained and are of moderate to high value – a three bedroom home is currently (7/10/06) for-sale at 1200 Walker Drive for \$254,900. Forrest Heights has frontage along Columbia Drive, Forrest Boulevard, and Walker Drive.

Ingress and egress to the property is available via both Walker Drive and Forrest Boulevard. Access problems are not expected, as traffic on Columbia Drive is moderate to light. Traffic lights at both Columbia Drive and Memorial Drive and Columbia Drive at U.S. Highway 278 facilitate traffic flow to nearby arteries.

The subject property is located just north of the vacant Avondale Mall. The mall has been sold to Wal-Mart, which has plans to redevelop the site into a Wal-Mart SuperCenter. A portion of the site will also be developed into for-sale townhomes with prices ranging from \$170,000 to \$300,000.

Forrest Heights Apartments is compatible with surrounding land uses, which are predominately residential. A significant amount of rental development is located within one mile of the subject site – primarily along Memorial Drive. As the proposed development will be a renovation of an existing community, it will not alter the composition of the immediate area.

MARTA, metro Atlanta's public transportation authority, serves the subject site. The closest bus stops are located along Columbia Drive between Walker Drive and Forrest Boulevard in front of the subject property.

Forrest Heights's 64 units are contained within two-story brick buildings. The subject property has been well maintained and the property benefits from strong curb appeal resulting from the brick exteriors and wooded property. The property currently operates as a tax credit community with 40 percent and 50 percent rent levels. Current

rents range from \$385 to \$415 for an efficiency unit, \$402 to \$450 for a one bedroom unit, and \$482 to \$495 for a two bedroom unit. The introduction of 30 percent and 60 percent units will increase the range of rent rates as the 30 percent rents are below those currently offered and the 60 percent rents represent an increase.

As of our survey, only two units were reported vacant, a rate of four percent. Based on the scope of renovation, tenant relocation plan, and wide range of proposed rents, the majority of existing renters are likely to remain post renovation. Units at three income levels increased the percentage of existing tenants likely to remain income qualified.

The scope of work provided by the developer includes:

- Exterior Upgrades and Repairs
 - Brick repairs
 - Roofs reinforced and repaired as needed
 - New fascia and soffits
 - New gutters and downspouts
 - Limited wood siding will be replaced with hardi-plank.
- Interior Upgrades and Repairs
 - Addition of one-half bath to all two bedroom units.
 - Reconfiguration of kitchens
 - New sheetrock as needed
 - Attic insulation
 - New paint
 - New doors and windows
 - Hardwood floors to be refinished
 - New Carpet
- Kitchens
 - New sinks, cabinets, and countertops in all units
 - New appliances including refrigerators, dishwashers, range, microwave ovens, hood vents, and garbage disposal.
 - New hard-wired smoke detectors
- Electrical, Plumbing, HVAC Upgrades
 - New wiring
 - New switch and plate fixtures
 - GFI outlets in kitchen and baths
 - New telephone and computer jacks
 - New fixtures and faucets
 - Tub/shower tile repairs
 - New HVAC in all units
- Adaptive Reuse of Buildings for Community Space
 - Two full-unfinished basements and two half unfinished basements will be converted to create community space.
 - Community space will include a library, computer room, fitness center, children's activity center, management offices, and a central laundry facility.

- Landscaping
 - New plantings
 - New irrigation system
 - Drainage problems repaired
 - All sidewalks and steps repaired
- New Exterior Amenities
 - Covered Pavilion
 - Barbeque area
 - Playground
 - Tot Lot

Figure 1 Site Location Photos



View of existing building.



View of existing buildings.



View of parking lot entrance on Forrest Boulevard.



View of building from Walker Drive.



Community entrance sign along Columbia Drive

Figure 2 Surrounding Land Use Photos



Single-family detached home on Forrest Boulevard.



View of Columbia Drive facing north from Walker Drive.



View of Columbia Drive facing south from Walker Drive.

Map 1 Site Location, Forrest Heights

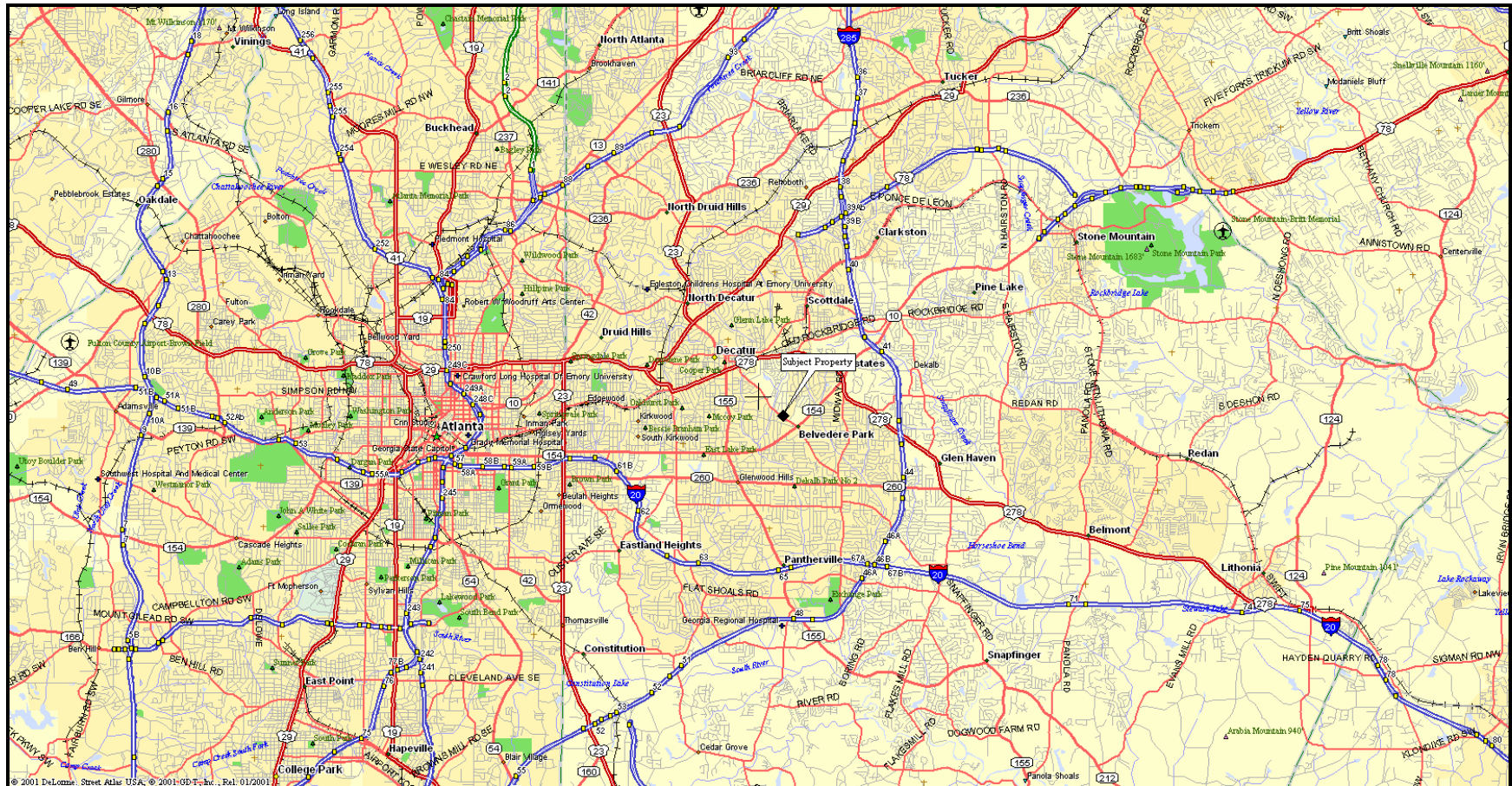




Figure 3 *Satellite Image of Subject Property*



Map 2 Site Amenities, Forrest Heights

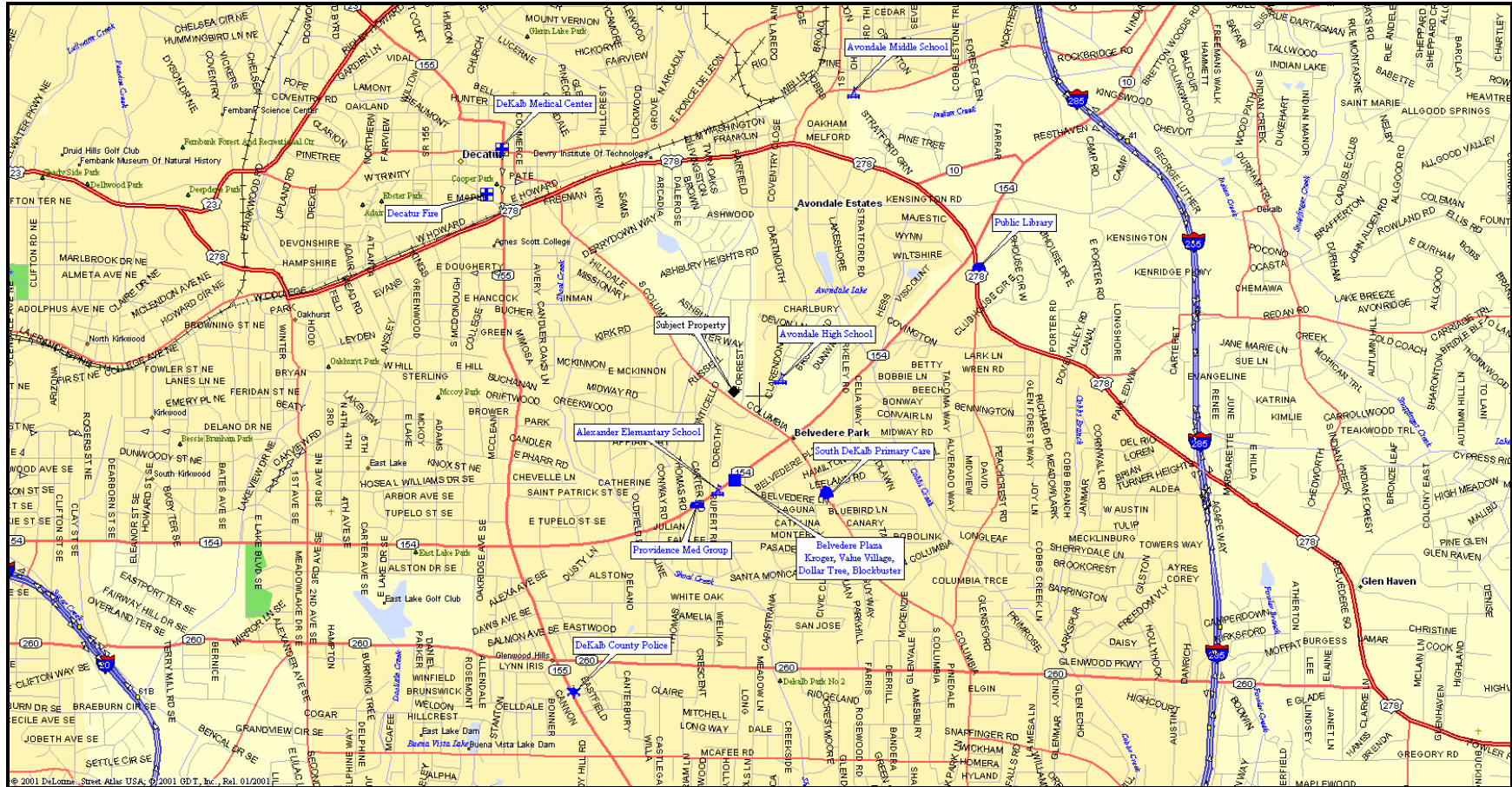


Table 2 Site Amenities, Forrest Heights

Establishment	Type	Address	Distance
Avondale High School	Public School	1192 Clarendon Ave	0.2 mile
Kroger	Grocery	3479 Memorial Dr	0.4 mile
Blockbuster	Video Rental	3551 Memorial Dr	0.4 mile
Belvedere Plaza	Retail and Restaurants	3500 Memorial Dr	0.4 mile
Alexander Elementary School	Public School	3414 Memorial Dr	0.4 mile
Providence Medical Group	Medical Clinic	3290 Memorial Dr	0.6 mile
South DeKalb Primary Care	Medical Clinic	1290 Columbia Dr	0.6 mile
DeKalb County Public Library	Public Library	3500 Covington Hwy	1.2 miles
Decatur Fire Department	Fire Station	230 E Trinity Pl	1.4 miles
Avondale Middle School	Public School	3131 Old Rockbridge Rd	1.6 miles
DeKalb County Police	Police Station	1816 Candler Rd	1.6 miles
DeKalb Medical Center	Hospital	450 N Candler St	1.7 miles

Forrest Heights is located northeast side of Columbia Drive approximately one-quarter mile north of Memorial Drive and one mile south of U.S. Highway 278. The property enjoys convenient access to major traffic arteries and community amenities.

The newly renovated rental community will feature 16 efficiency units, 16 one bedroom units, and 32 two bedroom units contained within twelve residential buildings. Unit sizes will be 450 square feet for the efficiency units, 600 square feet for the one bedroom units, and 805 square feet for the two bedroom units. The efficiency and one bedroom units will have one bathroom, while the two bedroom units will have one and a half bathrooms. The community features brick exteriors. The community will feature newly constructed community space.

Each of the newly renovated units at Forrest Heights will feature:

- Full kitchens including an electric range, a refrigerator with icemaker, a dishwasher, a garbage disposal, and a microwave oven.
- Hardwood floors in the living areas and kitchens and carpeting in the bedrooms.
- Washer and dryer connections.
- A covered entry.
- An energy efficient electric central heating and air conditioning system.
- Ceiling fans in the bedrooms and living areas.
- Hard-wired smoke detectors and fire suppression systems.

Common area amenities will include newly constructed community spaces featuring a library, children's activity center, fitness center, computer center, central

laundry facility, and management offices. Outdoor amenities will include a covered pavilion, barbeque area, playground, and tot lot.

The proposed rents and unit configuration is shown below in Table 3. The rents shown will include trash removal.

Table 3 Proposed Unit Configuration and Rents

Unit Type	Building Type	AMI Level	Units	# Bed	# Bath	Average Size	Net Rent	Rent/Sq Ft
LIHTC	Garden	30%	2	0	1	450	\$280	\$0.62
LIHTC	Garden	30%	2	1	1	600	\$295	\$0.49
LIHTC	Garden	30%	3	2	1.5	850	\$355	\$0.42
LIHTC	Garden	50%	2	0	1	450	\$400	\$0.89
LIHTC	Garden	50%	1	1	1	600	\$410	\$0.68
LIHTC	Garden	50%	2	2	1.5	850	\$500	\$0.59
LIHTC	Garden	50%	3	0	1	450	\$450	\$1.00
LIHTC	Garden	50%	4	1	1	600	\$475	\$0.79
LIHTC	Garden	50%	5	2	1.5	850	\$530	\$0.62
LIHTC	Garden	50%	7	0	1	450	\$465	\$1.03
LIHTC	Garden	50%	5	1	1	600	\$510	\$0.85
LIHTC	Garden	60%	10	2	1.5	850	\$555	\$0.65
LIHTC	Garden	60%	2	0	1	450	\$470	\$1.04
LIHTC	Garden	60%	4	1	1	600	\$525	\$0.88
LIHTC	Garden	60%	12	2	1.5	850	\$575	\$0.68
Total/Avg.			64			528	\$386	\$0.73

B. Shopping

The subject property is located approximately one-quarter mile north of Memorial Drive, a major commercial thoroughfare. The closest shopping center to the subject property is Belvedere Plaza, located on Memorial Drive west of Columbia Drive. Belvedere Plaza is anchored by Kroger, but also includes Value Village, MaxWay, Dollar Tree, Discount Fabric, Its Fashion, Washington Mutual, TNT Fashions, Simply Fashions, American Sandwich, Nails, Pizza Hut, Athlete's Foot, Blockbuster Video, and several restaurants. The shopping center is located less than one-half mile of the subject property.

The subject property is located within one-quarter mile of the vacant Avondale Mall. Wal-Mart is planning a SuperCenter on this location within walking distance of the subject property.



Kroger in Belvedere Plaza

C. Medical

Southwest DeKalb County is served by the DeKalb Medical Center. The main branch of this healthcare system, DeKalb Medical Center, is a 525-bed acute care hospital offering extensive services located near downtown Decatur less than two miles north of the subject site.

Several smaller medical clinics are located within one mile of the subject property including South DeKalb Primary Care and Providence Medical Group.

D. Schools

The DeKalb County School System provides education to more than 100,000 students. The school system consists of 84 elementary schools, 19 middle schools, 21 high schools, and 18 specialized centers. The closest public schools to the subject property are Alexander Elementary (0.4 mile), Avondale Middle School (1.6 miles), and Avondale High School (0.2 mile).

The Atlanta Metro area is home to many institutions of higher learning including both public and private colleges and universities. The establishments include Georgia Tech, Atlanta Metropolitan College, Georgia Military College, Carter Theological Institute, Atlanta Christian College, Morehouse College, Clark-Atlanta University, Spellman College, and Phillips School of Theology.



Avondale High School

IV. Socio-Economic and Demographic Content

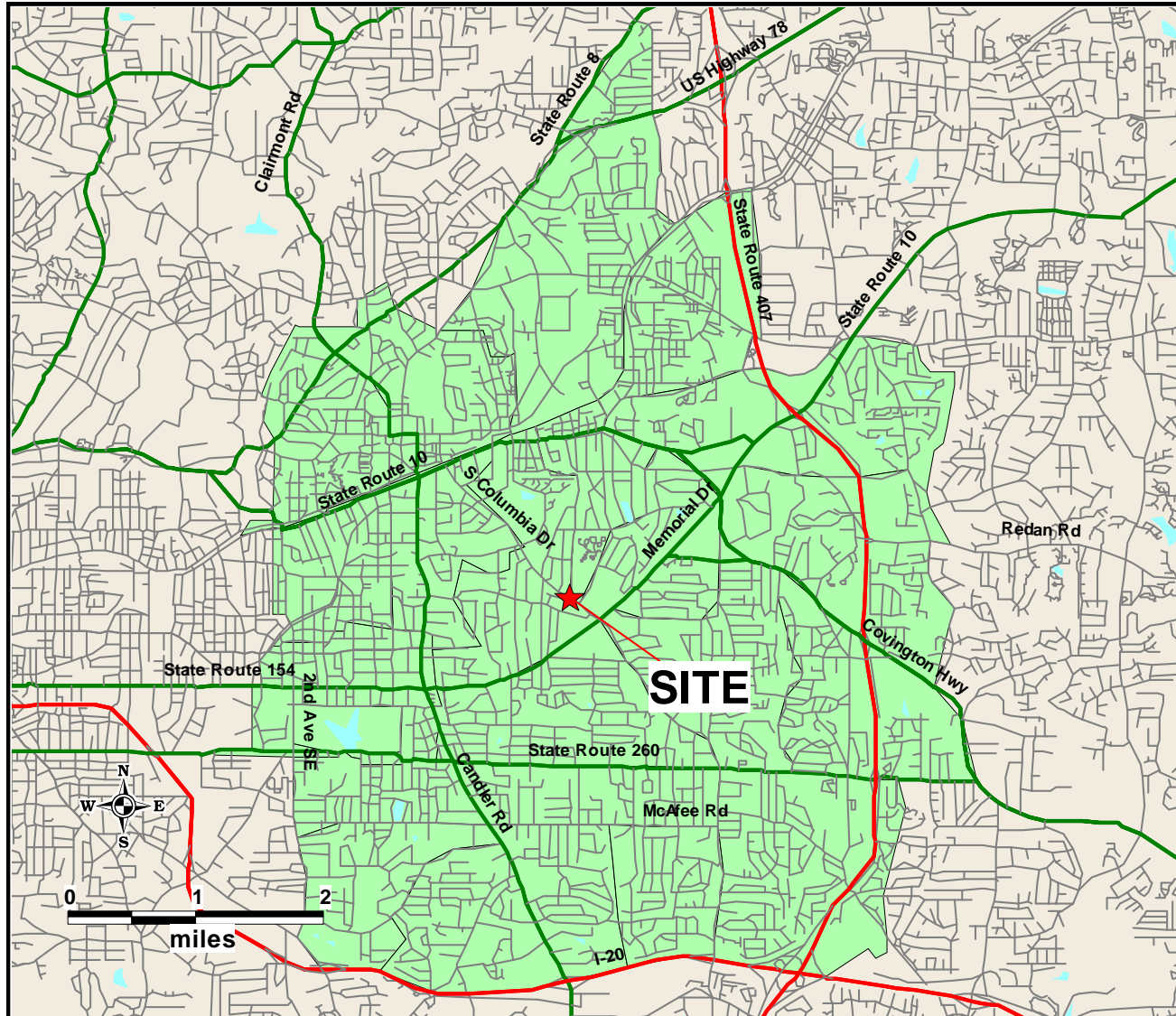
The primary market area for Forrest Heights Apartments is comprised of the census tracts located in south central DeKalb County including the city of Decatur. The approximate boundaries of the primary market area are United States Highway 278 to the north (3.2 miles), Interstate 285 to the east (2.7 miles), Interstate 285 to the south (3.0 miles), and Second Avenue to the west (3.0 miles).

Demographic data on DeKalb County is included for comparison purposes. Demand estimates will be shown only for the primary market area.

The primary market area includes year 2000 census tracts 0222, 0221, 0226, 0225, 0231.05, 0230, 0229, 0228, 0231.02, 0231.06, 0227, 0231.07, 0231.08, 0208.02, 0231.01, 0236.01, 0235.01, 0235.06, 0236.02, 0235.04, 0235.05, and 0236.03. A map of this market area is shown on page 19.

According to property managers of existing rental communities, tenants come predominantly from the southern portion of DeKalb County. A modest percentage of renters come from Fulton County, which borders DeKalb County to the west and is easily accessible via Interstate 285 and 20. Many property managers indicated that the proposed redevelopment will be able to attract tenants from throughout the primary market area. The primary market area's housing stock is comparable with the site's immediate surroundings.

Map 3 Primary Market Area

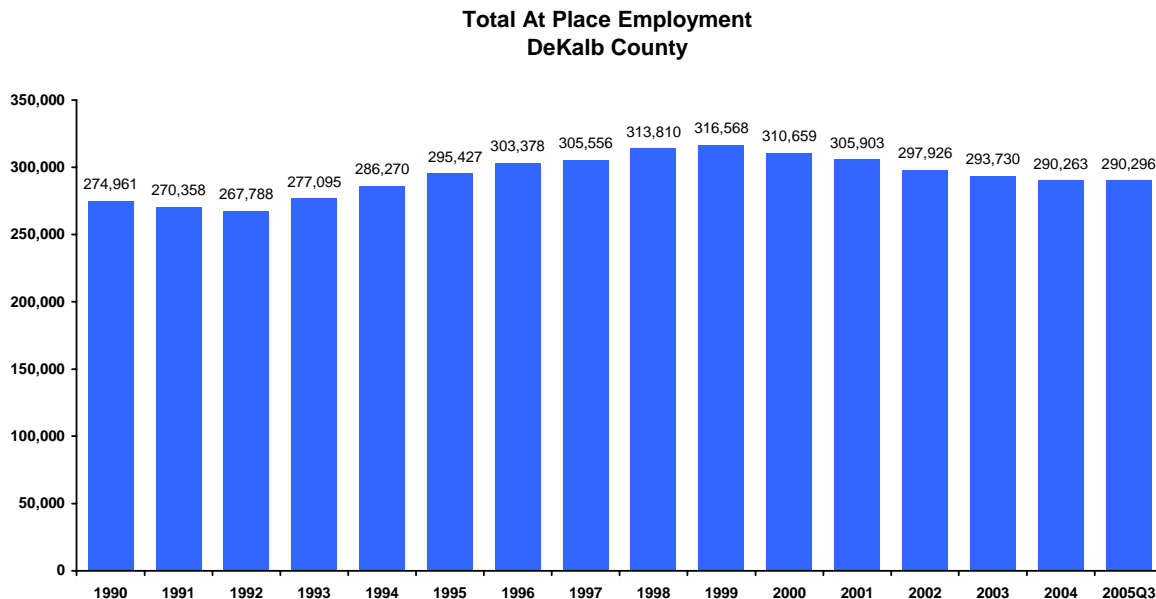


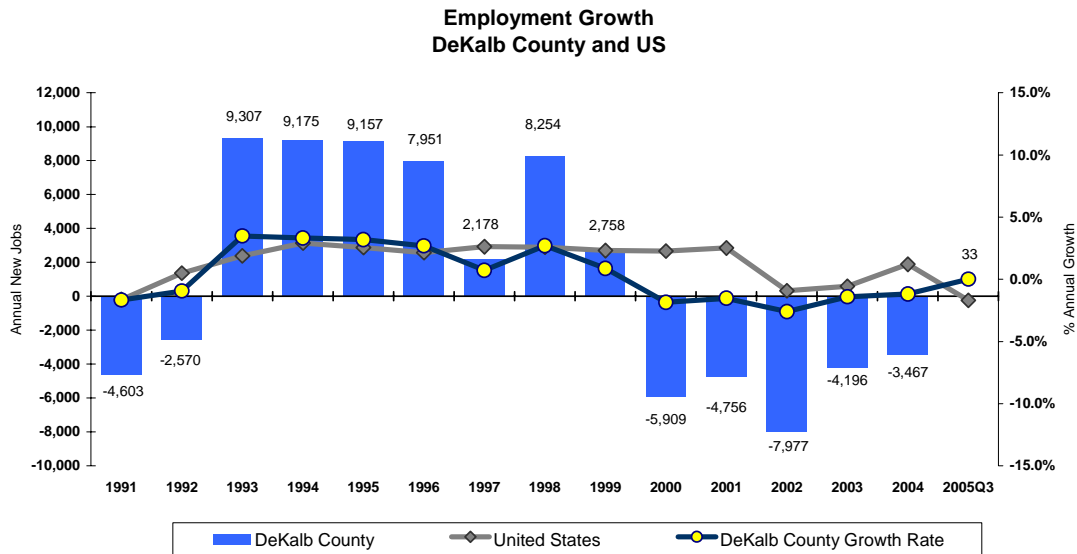
A. Economic Context

DeKalb County's at place employment has experienced net growth since 1990. The growth has not been steady, however, but the trends reflect the nation's economic fluctuations. After job stagnation and net job loss during the depths of the early 1990's recession, DeKalb County employment base expanded, reaching a high of 316,568 jobs by 1999 (Table 4). Between 1992 and 1999, DeKalb County added nearly 50,000 jobs, a total increase of 18 percent. Since this time, DeKalb County has seen a downward adjustment, dropping to 290,296 jobs by the third quarter of 2005. At place employment remains higher than the 1990 benchmark by 15,335 jobs.

On a percentage basis, job growth in DeKalb County has been generally lower than national employment growth in recent years, except during the 1993 to 1996 period when its job growth surpassed that of the nation. The Atlanta metropolitan area was one of the hardest hit areas in the country by the economic fallout from the 9/11 tragedy, with convention business falling by 10 percent. The airlines, in particular Delta Airlines, the largest employer in neighboring Fulton County, were hit exceptionally hard. A ripple effect throughout the Atlanta metropolitan area in addition impacted the manufacturing, construction and financial sectors.

Table 4 At Place Employment, DeKalb County 1990-2005





The trade/transportation/utilities sector is by far the largest employment sector in the DeKalb County economy, employing 21.1 percent of all workers as of the third quarter of 2005 (Table 5). This is followed by the education/health (15.8 percent), government (15.6 percent) and the professional/business (15.0 percent) sectors. In three of these four largest sectors, the proportion of DeKalb County workers exceeds that of the nation as a whole.

Between 2001 and the third quarter of 2005, only two sectors displayed annual growth—government and education-health (Table 6). Two sectors dominant in DeKalb County, trade/transportation/utilities and professional/business, contracted to a greater extent than these did nationwide. However, these were not the sectors of the economy experiencing the greatest proportional job losses.

Table 5 Employment by Sector, DeKalb County 2005

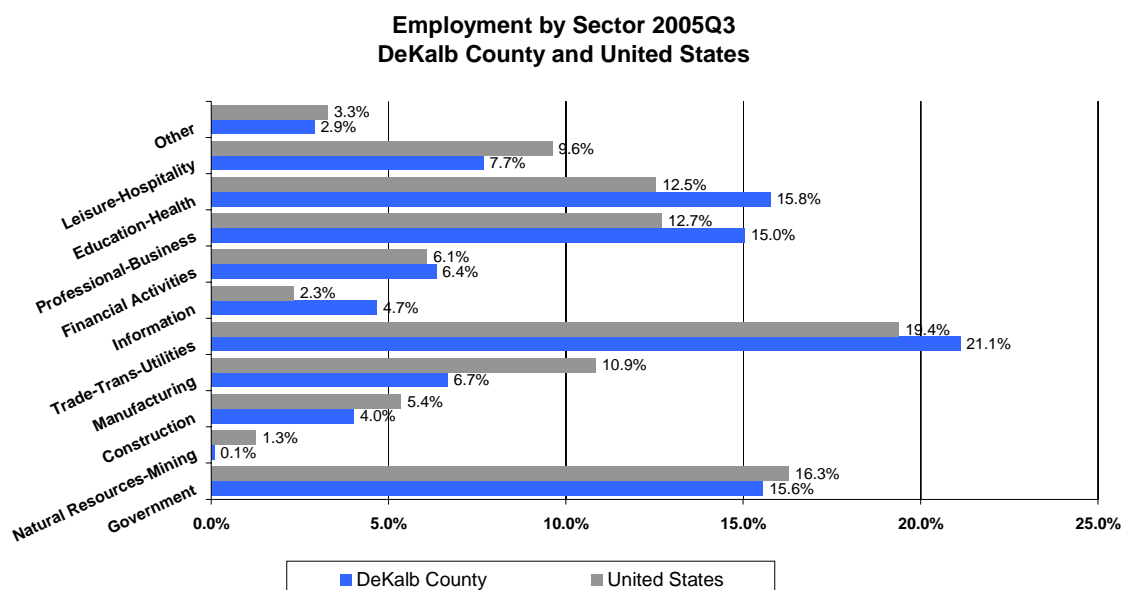
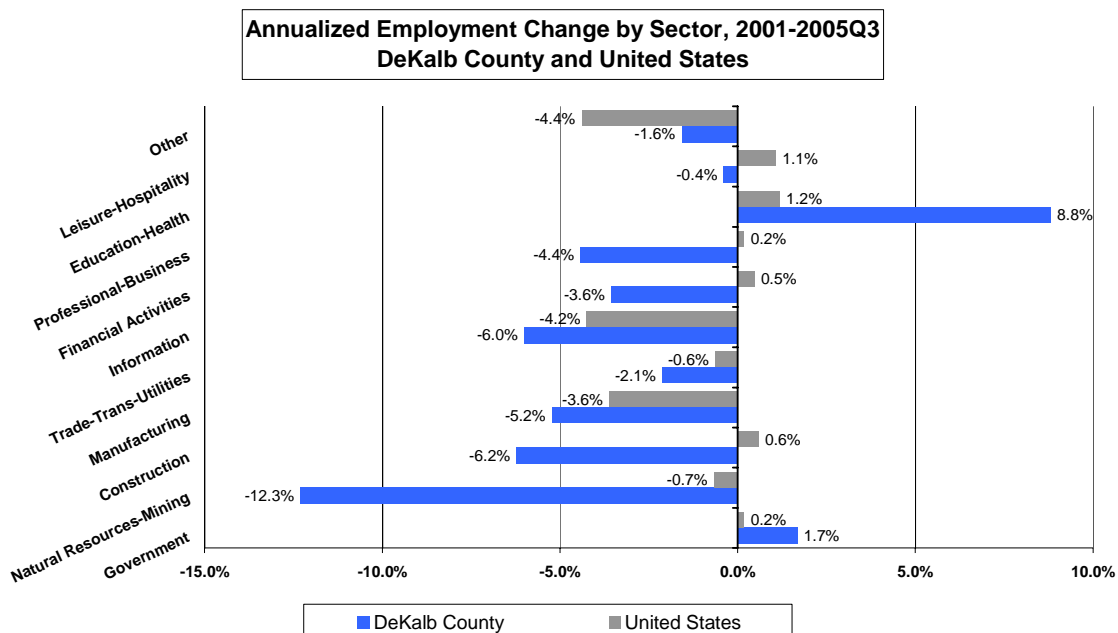


Table 6 Employment by Sector Change, DeKalb County 2001-2005



The most recent listing of the major employers in DeKalb County illustrates the county's economic diversity. As of 2004, BellSouth Telecommunications (22,041 employees), a utility giant, employs nearly 8,000 more workers than the next largest employer. The education/health sector is well represented by Emory University (14,398

employees), U.S. Centers for Disease Control and Prevention (5,089 employees), DeKalb Medical Center (2,790 employees), Emory Hospital and Clinic (2,214 employees) and Children's Healthcare of Atlanta (1,543 employees). Government is also well represented with 6,600 County employees. Two other large employers do not fall into these most dominant sectors, Cox Enterprises (a media company with 5,322 local employees) and General Motors (with 3,500 local employees) (Table 7).

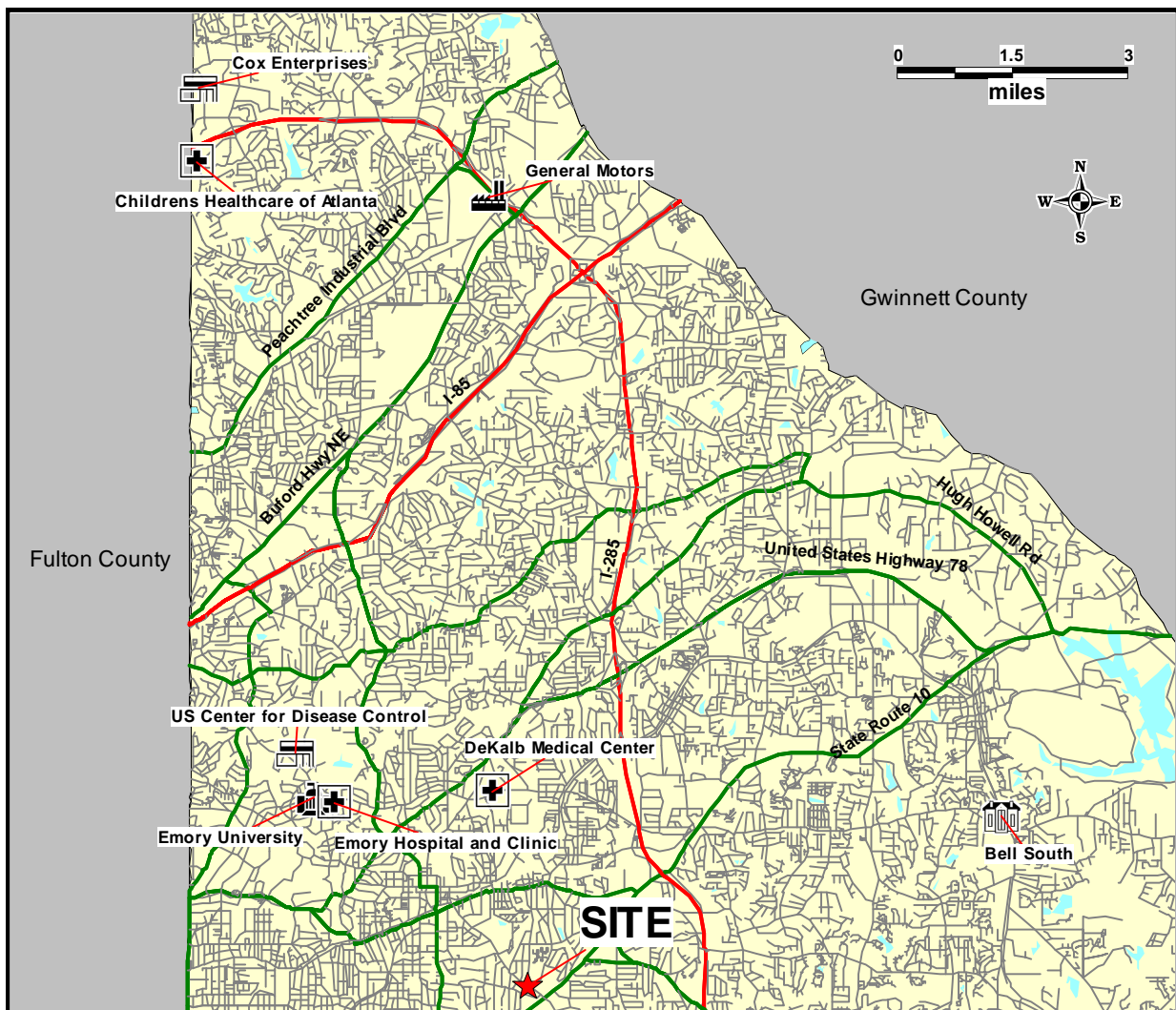
The future of several of these major employees is uncertain as General Motors has announced Atlanta area plant closings and Bellsouth has been purchased by AT&T, which is headquartered in Texas. In addition to these major employers, employment concentrations near the site include several schools and retail shopping centers. Several employment concentrations are located within five miles of the subject site.

Table 7 Top 10 Employers, DeKalb County

Rank	NAME	Employees
1	BellSouth Telecommunications	22,041
2	Emory University	14,398
3	DeKalb County Schools	6,876
4	DeKalb County Government	6,600
5	Cox Enterprises	5,322
6	U.S. Centers for Disease Control & Prevention	5,089
7	General Motors Corp. (Doraville)	3,500
8	DeKalb Medical Center	2,790
9	Emory Hospital and Clinic	2,214
10	Childrens Healthcare of Atlanta (form. Egleston)	1,543

Source: DeKalb County Chamber of Commerce.

Map 4 Major Employers



The labor force in DeKalb County has grown steadily since 1990. After a minor decline between 1990 and 1991, the county's labor force increase during 10 of the next 12 years. The annual average labor force in 2005 of 381,498 represents a 63,309 or 19.8 percent increase over 1990's annual average (Table 8). DeKalb County's labor force increased during 2005, partially recouping the large loss experienced in 2004. This trend has continues through the first quarter of 2006.

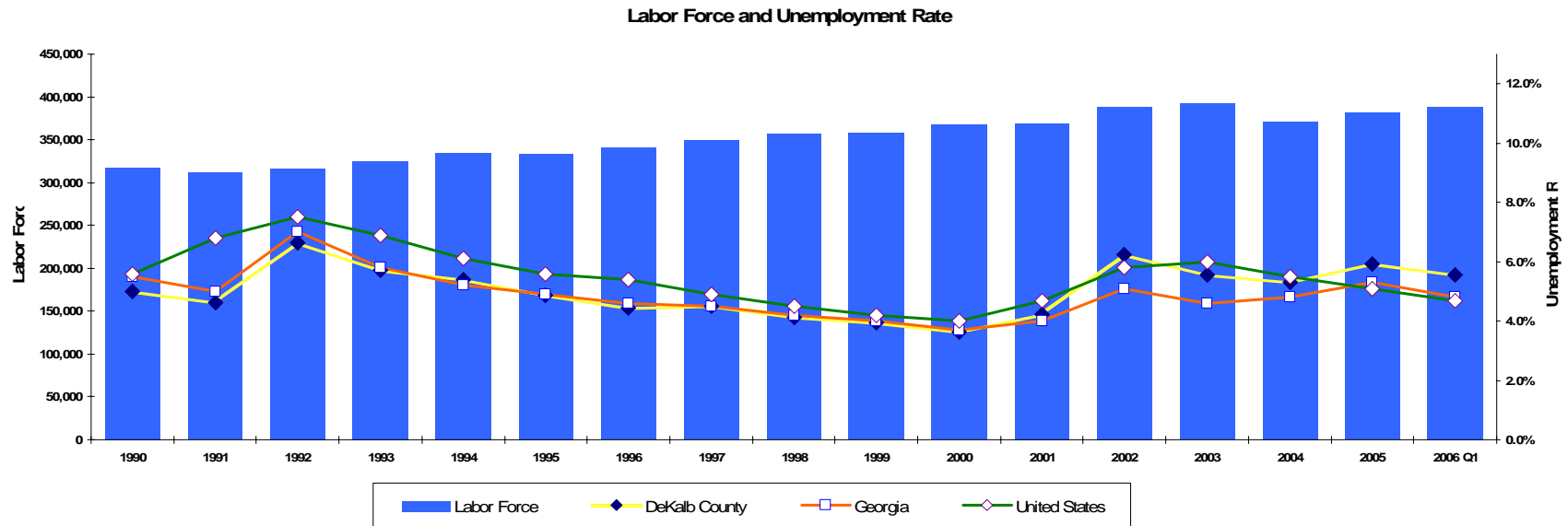
The unemployment rate in DeKalb County has historically been similar to the state figures while following similar trends. Over the past year, the county's unemployment rate has remained about one-half percentage point above the state figure. Unemployment has fallen to 5.9 percent in 2005 from 6.2 percent in 2002. Through the first quarter of 2006, the unemployment rate in the county decreased to 5.6 percent, about one percentage point above state and national levels. Unemployment in the county appears stable at five to six percent.

While DeKalb County has several moderately sized employers, it remains a bedroom community to other metro counties, primarily Fulton County. Through 2005, the number of jobs in DeKalb County (290,263) accounted for 81 percent of the county's employed residents. Twenty to twenty-five percent of the county's residents commute to another county for work. As a result, the loss of jobs in the county is not particularly troubling, as the unemployment rate appears stable.

Table 8 Labor Force and Unemployment Rates, DeKalb County

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 Q1
Labor Force	318,189	311,060	316,365	325,790	334,826	334,009	340,855	349,504	356,436	357,463	367,744	368,972	388,729	392,478	371,973	381,498	388,922
Employment	302,293	296,697	295,407	307,186	316,767	317,741	325,706	333,820	341,681	343,409	354,416	353,398	364,468	370,709	352,206	358,917	367,283
Unemployment	15,896	14,363	20,958	18,604	18,059	16,268	15,149	15,684	14,755	14,054	13,328	15,574	24,261	21,769	19,767	22,581	21,639
Unemployment Rate																	
DeKalb County	5.0%	4.6%	6.6%	5.7%	5.4%	4.9%	4.4%	4.5%	4.1%	3.9%	3.6%	4.2%	6.2%	5.5%	5.3%	5.9%	5.6%
Georgia	5.5%	5.0%	7.0%	5.8%	5.2%	4.9%	4.6%	4.5%	4.2%	4.0%	3.7%	4.0%	5.1%	4.6%	4.8%	5.3%	4.8%
United States	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.7%

Source: U.S. Department of Labor, Bureau of Labor Statistics.



B. Growth Trends

The population and household statistics for the primary market area and DeKalb County are based on the 1990 and 2000 Census counts. Estimates and projections were provided by Claritas, Inc., a national data vendor.

The primary market area's 2000 population represents an increase of 43,547 persons or 4.6 percent from the 1990 Census count. At 22 percent, the rate of increase of DeKalb County's population has been higher during the same time period. From 2000 to 2005, the total population in the primary market area is estimated to have decreased by 3,568 or 3.4 percent. DeKalb County's population increased by 1.7 percent or 11,359 people during the same five-year time period.

Based on 1990 and 2000 Census data, the PMA grew by 2,340 households, while DeKalb County grew by 40,649 households (Table 9). These changes equate to a 6.4 percent increase in the primary market area and a 19.5 percent increase in DeKalb County. The annual compounded rates of household growth were 0.6 percent in the PMA and 1.8 percent in DeKalb County.

Estimates show that the PMA's household count decreased by 1,127 or 2.9 percent between 2000 and 2005 compared to an increase of 2,658 households or 1.1 percent in DeKalb County. Annual changes were estimated at a loss of 225 households or 0.6 percent in the primary market area and an increase of 532 households or 0.2 percent in DeKalb County. While the primary market area accounted for up for 17.6 percent of DeKalb County's household base in 1990, it accounted for 5.7 percent of county's household growth between 1990 and 2000. The slower percentage growth in the primary market area is expected, given that it is an established area closer to downtown Atlanta. Much of the growth in DeKalb County has been in northern and eastern quadrants of the county.

Household loss in the primary market area is expected continue through 2010, although the rate of loss is expected to slow. The county's household growth rate is expected to accelerate over the next five years.

Table 9 Trends in Population and Households, PMA and DeKalb County

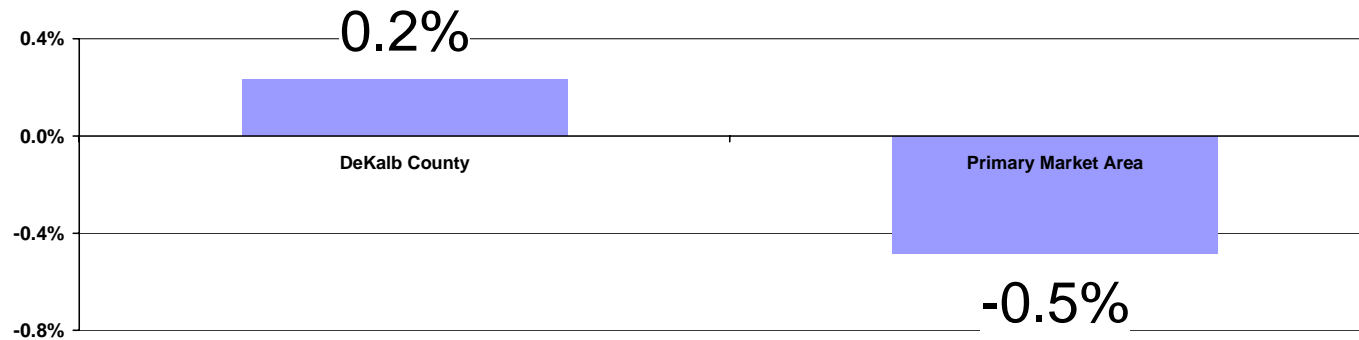
DeKalb County					Change 1990 to 2000				Change 2000 to 2005				Change 2005 to 2010			
					Total		Annual		Total		Annual		Total		Annual	
	1990	2000	2005	2010	#	%	#	%	#	%	#	%	#	%	#	%
Population	545,837	665,865	677,224	688,008	120,028	22.0%	12,003	2.0%	11,359	1.7%	2,272	0.3%	10,784	1.6%	2,157	0.3%
Group Quarters	10,383	13,671	14,306	14,972												
Households	208,690	249,339	251,997	254,927	40,649	19.5%	4,065	1.8%	2,658	1.1%	532	0.2%	2,930	1.2%	586	0.2%
Average HH Size	2.57	2.62	2.63	2.64												

Primary Market Area					Change 1990 to 2000				Change 2000 to 2005				Change 2005 to 2010			
					Total		Annual		Total		Annual		Total		Annual	
	1990	2000	2005	2010	#	%	#	%	#	%	#	%	#	%	#	%
Population	101,177	105,845	102,277	99,071	4,668	4.6%	467	0.5%	-3,568	-3.4%	-714	-0.7%	-3,206	-3.1%	-641	-0.6%
Group Quarters	2,649	4,540	4,770	4,994												
Households	36,651	38,991	37,864	36,958	2,340	6.4%	234	0.6%	-1,127	-2.9%	-225	-0.6%	-906	-2.4%	-181	-0.5%
Average HH Size	2.69	2.60	2.58	2.55												

Note: Annual change is compounded rate.

Source: 1990 and 2000 - 1990 and 2000 Censuses of Population and Housing; Claritas, RPRG Estimates

Annual Household Growth Rate 2005-2010



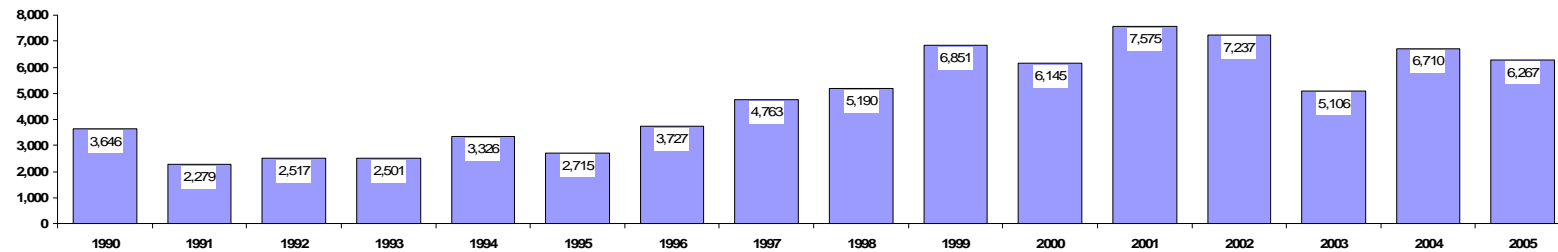
Local building permit activity is another measure of growth in a geographic area. Permit data reported in the U.S. Census Bureau's C-40 Report indicate continued growth in DeKalb County since 1990, with heightened residential building activity since 1999. On the average, 4,785 residential units were granted permits during the 1990 to 2005 period (Table 10). However, in six of the most recent seven years, the average number was above 6,000.

Table 10 DeKalb County Building Permits, 1990 - 2005

DeKalb County	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	1990-2005	Annual
Single Family	2,364	1,712	2,234	2,057	1,970	1,819	2,355	2,698	3,895	4,376	4,266	4,719	4,134	3,931	3,752	3,340	49,622	3,101
Two Family	186	48	48	12	40	30	44	36	54	4	0	4	0	0	0	0	506	32
3 - 4 Family	0	0	0	0	0	0	0	9	0	20	0	10	4	0	0	10	53	3
5 or more Family	1,096	519	235	432	1,316	866	1,328	2,020	1,241	2,451	1,879	2,842	3,099	1,175	2,958	2,917	26,374	1,648
Total	3,646	2,279	2,517	2,501	3,326	2,715	3,727	4,763	5,190	6,851	6,145	7,575	7,237	5,106	6,710	6,267	76,555	4,785

Source: US Census Bureau, C-40 Building Permit Reports.

**Total Housing Units Permitted
1990 - 2005**



C. Demographic Characteristics

Census data indicates that the primary market area has a heavier concentration of its population in the older age brackets, while DeKalb County has a higher percentage of young children and young adults. The primary market has an equal or higher percentage of its population between the ages of 10 and 24 years and in each age classification age 45+ (Table 11). DeKalb County has a higher percentage under the age of 10 and between the ages of 25 and 44.

The primary market area's marriage rate of 32.2 percent is lower than DeKalb County's 40.1 percent marriage rate (Table 12). The primary market area also has a lower occurrence of children with 28.9 percent of households having children present, compared to 31 percent in the county. Over half (52.2 percent) of the PMA households with children present are single parent households, compared to 39.6 percent of DeKalb County households with children. The primary market area has a higher percentage of non-married families without children and single-person households when compared to the county.

Table 11 2000 Age Distribution

	DeKalb County		Primary Market Area	
	Number	Percent	Number	Percent
Under 10 years	94,247	14.2%	14,779	14.0%
10-17 years	69,731	10.5%	11,783	11.1%
18-24 years	72,887	10.9%	11,867	11.2%
25-34 years	129,873	19.5%	18,847	17.8%
35-44 years	114,571	17.2%	17,671	16.7%
45-54 years	85,353	12.8%	14,039	13.3%
55-61 years	34,964	5.3%	5,866	5.5%
62-64 years	11,015	1.7%	1,907	1.8%
65-69 years	15,474	2.3%	2,462	2.3%
70-74 years	13,406	2.0%	2,112	2.0%
75 and older	24,344	3.7%	4,512	4.3%
TOTAL	665,865	100.0%	105,845	100.0%

Source: U.S. Census of Population and Housing, 2000.

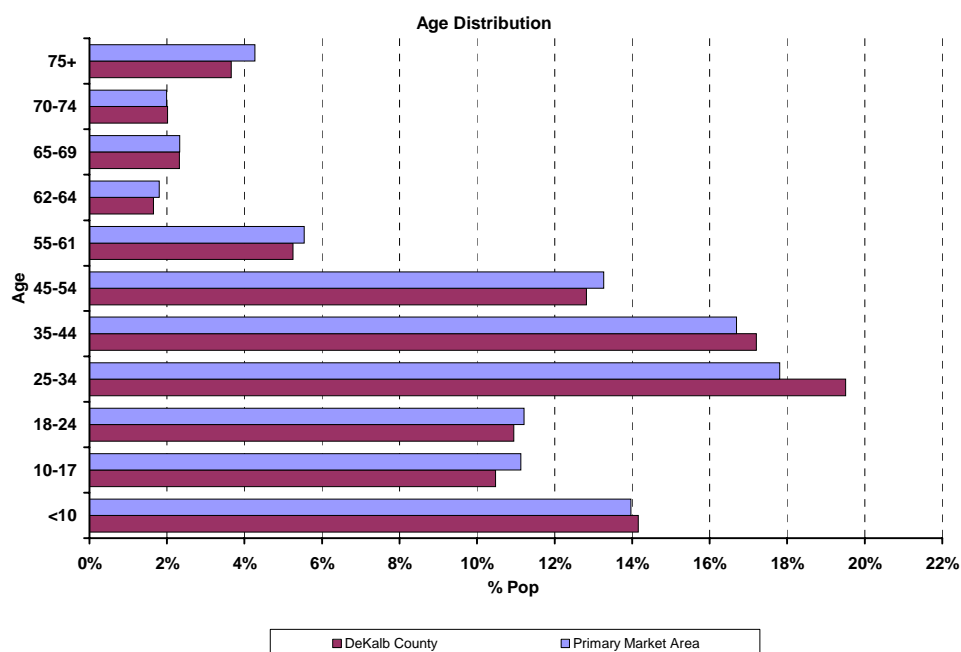
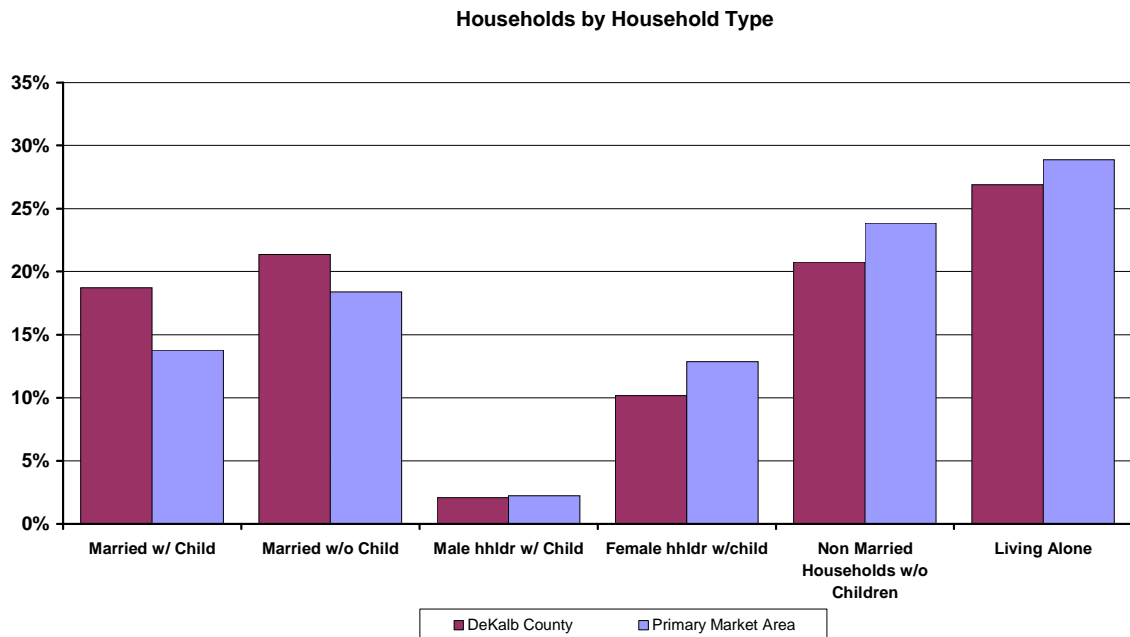


Table 12 2000 Households by Household Type

	DeKalb County		Primary Market Area	
	#	%	#	%
Married w/ Child	46,736	18.7%	5,370	13.8%
Married w/o Child	53,251	21.4%	7,175	18.4%
Male hhldr w/ Child	5,131	2.1%	873	2.2%
Female hhldr w/child	25,372	10.2%	5,020	12.9%
Non Married				
Households w/o	51,778	20.8%	9,300	23.9%
Children				
Living Alone	67,071	26.9%	11,253	28.9%
Total	249,339	100.0%	38,991	100.0%

Source: 2000 Census



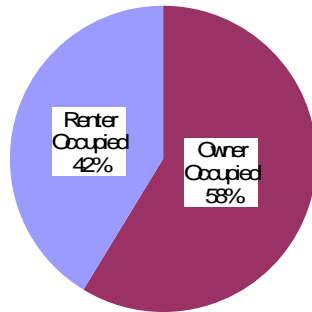
The primary market area has a higher percentage of renter occupied households than does DeKalb County. In 2000, 45.1 percent of the householders in the PMA were renters (Table 13). In comparison, 41.5 percent of DeKalb County householders rented. The renter percentage in the Atlanta MSA was only 31.5 percent in 2000.

Table 13 Dwelling Units by Occupancy Status

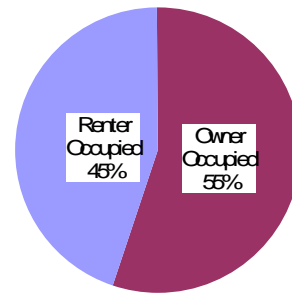
	DeKalb County		Primary Market Area	
2000 Households	Number	Percent	Number	Percent
Owner Occupied	145,825	58.5%	21,397	54.9%
Renter Occupied	103,514	41.5%	17,594	45.1%
Total Occupied	249,339	100.0%	38,991	100.0%
Total Vacant	11,892		2,049	
TOTAL UNITS	261,231		41,040	

Source: U.S. Census of Population and Housing, 2000.

DeKalb County



Primary Market Area



Comparing the age of householders shows that primary market area's householders are older than in the county overall, similar to the overall population distribution. The primary market area has a higher percentage of its owner householders in all classifications age 45+. Among renter householders, the primary market area has a higher percentage age 35 and older. DeKalb County has higher percentage of its owner and renter householders under the age of 35 (Table 14).

Table 14 2000 Households by Tenure & Age of Householder

Owner Households		DeKalb County		Primary Market Area	
Age of HHldr	Number	Percent	Number	Percent	
15-24 years	1,540	1.1%	226	1.1%	
25-34 years	22,442	15.4%	2,998	14.0%	
35-44 years	38,376	26.3%	4,923	23.0%	
45-54 years	36,432	25.0%	5,542	25.9%	
55-64 years	21,920	15.0%	3,625	16.9%	
65-74 years	14,393	9.9%	2,308	10.8%	
75 to 84 years	8,801	6.0%	1,413	6.6%	
85+ years	1,921	1.3%	362	1.7%	
Total	145,825	100%	21,397	100%	

Renter Households		DeKalb County		Primary Market Area	
Age of HHldr	Number	Percent	Number	Percent	
15-24 years	13,476	13.0%	2,109	12.0%	
25-34 years	38,869	37.5%	5,559	31.6%	
35-44 years	24,822	24.0%	4,419	25.1%	
45-54 years	13,761	13.3%	2,689	15.3%	
55-64 years	5,610	5.4%	1,170	6.6%	
65-74 years	3,204	3.1%	697	4.0%	
75 to 84 years	2,520	2.4%	595	3.4%	
85+ years	1,252	1.2%	356	2.0%	
Total	103,514	100%	17,594	100%	

Source: 2000 Census

D. Income Characteristics

Based on Claritas projections, the 2005 median income for all households living in the primary market area was \$45,158, \$10,496 or 18.8 percent lower than the DeKalb County median of \$55,564 (Table 15). The primary market area has a higher percentage of its householders less than \$50,000. DeKalb County has a higher percentage in all income cohorts above \$50,000.

Based on Claritas income projections, the relationship between owner and renter incomes as recorded in the 2000 Census, the breakdown of tenure, and household estimates, RPRG estimates that the median income of renters in the primary market area as of 2005 is \$31,790, just more than half of the owner

household median of \$60,315 (Table 16). Over 47 percent of renter households earn less than \$30,000, compared to only 20 percent of owner households.

Table 15 2005 Income Distribution, PMA and DeKalb County.

		DeKalb County		Primary Market Area	
		Number	Percent	Number	Percent
less than	\$20,000	33,020	13.1%	7,358	19.4%
	\$20,000				
	\$24,999	11,472	4.6%	2,465	6.5%
	\$25,000				
	\$29,999	12,819	5.1%	2,331	6.2%
	\$30,000				
	\$34,999	13,483	5.4%	2,268	6.0%
	\$35,000				
	\$39,999	13,966	5.5%	2,248	5.9%
	\$40,000				
	\$44,999	13,824	5.5%	2,198	5.8%
	\$45,000				
	\$49,999	13,190	5.2%	2,028	5.4%
	\$50,000				
	\$59,999	23,654	9.4%	3,301	8.7%
	\$60,000				
	\$74,999	29,645	11.8%	4,030	10.6%
	\$75,000				
	\$99,999	33,118	13.1%	4,011	10.6%
	\$100,000				
	\$124,999	20,844	8.3%	2,482	6.6%
	\$125,000				
	\$149,999	12,030	4.8%	1,182	3.1%
	\$150,000				
	\$199,999	10,041	4.0%	1,090	2.9%
	\$200,000				
	over	10,891	4.3%	872	2.3%
Total		251,997	100.0%	37,864	100.0%
Median Income		\$55,654		\$45,158	

Source: Claritas, Inc,

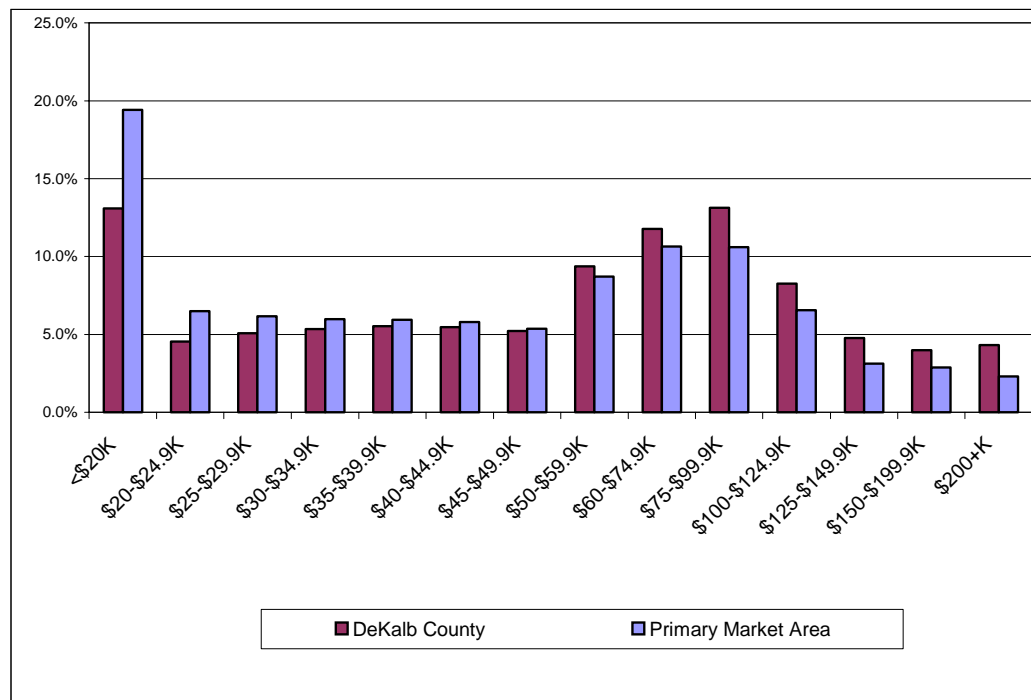
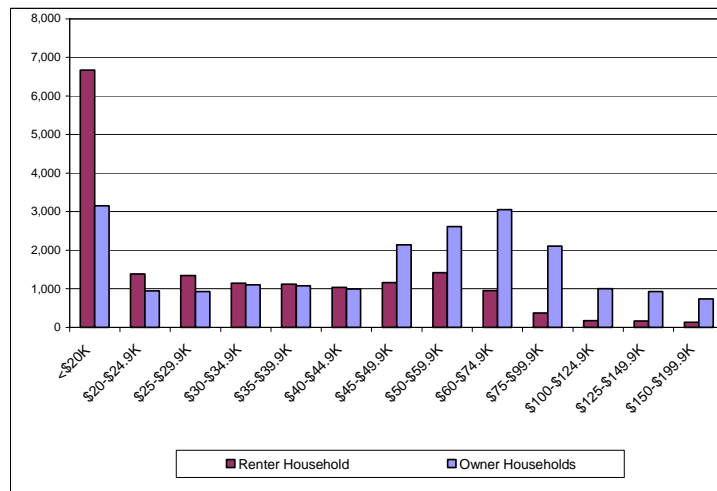


Table 16 2005 Income by Tenure, Primary Market Area

		Renter Household		Owner Households	
		<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
less than	\$25,000	6,673	39.1%	3,150	15.2%
	\$25,000	1,381	8.1%	950	4.6%
	\$30,000	1,344	7.9%	924	4.4%
	\$35,000	1,146	6.7%	1,102	5.3%
	\$40,000	1,121	6.6%	1,077	5.2%
	\$45,000	1,034	6.1%	994	4.8%
	\$50,000	1,163	6.8%	2,138	10.3%
	\$60,000	1,420	8.3%	2,610	12.6%
	\$75,000	955	5.6%	3,056	14.7%
	\$100,000	374	2.2%	2,108	10.1%
	\$125,000	178	1.0%	1,004	4.8%
	\$150,000	164	1.0%	926	4.5%
	\$200,000 over	131	0.8%	741	3.6%
Total		17,085	100.0%	20,779	100.0%
Median Income		\$31,790		\$60,315	

Source: Claritas, Inc, Estimates, Real Property Research Group, Inc.



V. Supply Analysis

A. Area Housing Stock

Rental development in the primary market is less dense than DeKalb County (Table 17). The primary market area has a higher percentage of its rental units in single-family detached homes, duplexes, structures with 3-4 units, and structures with 20+ units. DeKalb County has a higher percentage townhomes and structures with 5 to 19 units, traditional garden apartments. Structures with five or more units contain 51.6 percent of the market area's rental units and 61.1 percent of the county's rental units.

Table 17 2000 Renter Households by Number of Units

Renter Occupied	DeKalb County		Primary Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
1, detached	16,116	15.6%	4,179	23.7%
1, attached	3,654	3.5%	545	3.1%
2	3,817	3.7%	672	3.8%
3-4	16,333	15.8%	3,108	17.6%
5-9	22,814	22.0%	2,957	16.8%
10-19	19,984	19.3%	2,619	14.9%
20+ units	20,466	19.8%	3,520	20.0%
Mobile home	274	0.3%	16	0.1%
Boat, RV, Van	60	0.1%	0	0.0%
TOTAL	103,518	100.0%	17,616	100.0%

Source: U.S. Census of Population and Housing, 2000, STF3.

The rent distribution from the 2000 Census shows that the median rent is \$594 in the primary market area and \$671 in DeKalb County (Table 18). According to this distribution, 42 percent of renter householders in the primary market area paid a monthly contract rent between \$300 and \$600, which is the general range of proposed rents at Forrest Heights.

The median year built among owner occupied housing units is 1959 in the primary market area and 1972 in DeKalb County. The median year built among renter occupied households is 1972 for the primary market area and 1977 for DeKalb County. According to the 2000 Census, only 8.2 percent of the rental units in the

primary market area and 17.6 percent of DeKalb County's rental units were built between 1990 and 2000.

Table 18 2000 Census Rent Distribution.

	DeKalb County		Primary Market Area	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
Less than \$200	3,982	3.9%	1,228	7.2%
\$200 to \$299	1,737	1.7%	455	2.7%
\$300 to \$399	2,782	2.7%	919	5.4%
\$400 to \$499	6,772	6.7%	2,213	12.9%
\$500 to \$599	17,695	17.4%	4,062	23.7%
\$600 to \$699	24,130	23.8%	4,212	24.6%
\$700 to \$799	19,905	19.6%	1,888	11.0%
\$800 and over	24,424	24.1%	2,152	12.6%
TOTAL	101,427	100.0%	17,129	100.0%
Median Rent	\$671		\$594	
Renters paying rent	101,427	98.2%	17,129	97.7%
No cash rent	1,836	1.8%	411	2.3%
Total Renters	103,263	100.0%	17,540	100.0%

Source: U.S. Census of Population and Housing, 2000, STF3.

Table 19 Year Property Built

	DeKalb County		Primary Market Area	
Renter Occupied	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
1999 to 2000	1,547	1.5%	151	0.9%
1995 to 1998	6,804	6.6%	548	3.1%
1990 to 1994	9,793	9.5%	735	4.2%
1980 to 1989	26,696	25.8%	3,552	20.2%
1970 to 1979	25,698	24.8%	4,588	26.0%
1960 to 1969	17,584	17.0%	3,769	21.4%
1950 to 1959	8,174	7.9%	2,113	12.0%
1940 to 1949	3,561	3.4%	1,059	6.0%
1939 or earlier	3,661	3.5%	1,101	6.3%
TOTAL	103,518	100.0%	17,616	100.0%
MEDIAN YEAR BUILT	1977		1972	

Source: U.S. Census of Population and Housing, 2000, STF3.

	DeKalb County		Primary Market Area	
Owner Occupied	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>
1999 to 2000	4,409	3.0%	162	0.8%
1995 to 1998	10,860	7.4%	392	1.8%
1990 to 1994	11,966	8.2%	731	3.4%
1980 to 1989	25,983	17.8%	1,880	8.8%
1970 to 1979	26,865	18.4%	2,417	11.3%
1960 to 1969	30,117	20.7%	4,998	23.4%
1950 to 1959	20,422	14.0%	5,411	25.3%
1940 to 1949	7,729	5.3%	2,862	13.4%
1939 or earlier	7,470	5.1%	2,537	11.9%
TOTAL	145,821	100.0%	21,390	100.0%
MEDIAN YEAR BUILT	1972		1959	

Source: U.S. Census of Population and Housing, 2000, STF3.

B. Rental Market

As part of this analysis, Real Property Research Group, Inc. surveyed 15 rental communities in the primary market area. Of those communities, three offer LIHTC units. A profile sheet of each community is attached as Appendix 5 Community Photos and Profiles. The location of each community is shown on Map 5.

The fifteen surveyed rental communities combine to offer 2,715 rental units (Table 20). Thirteen communities offer all garden style units and two offer both garden and townhouse units. The average year built of the surveyed rental communities is 1978. None of the surveyed rental communities have been built since 2000, however Kensington Manor was renovated in 2003 and Robins Landing in 1999.

Among the 2,715 units surveyed, 371 were reported vacant for an overall vacancy rate of 13.7 percent. Five of the surveyed rental communities reported vacancy rates of 17 percent or greater. These five communities account for 83.9 percent of the market area's vacancies (313 of 371), but only 45.4 percent of the total units (1,234 of 2,715). These communities are generally the largest in the primary market area and have not been well maintained, with the exception of Kensington Manor. Eight of the 15 surveyed communities reported a vacancy rate of 7 percent or lower. Despite the high overall vacancy rate, only three of the fifteen surveyed rental communities are currently offering rental incentives. Well maintained communities, including the three with tax credit units, reported low or stable vacancy rates. The subject property, Forrest Heights, currently has a vacancy rate of only 3.7 percent. While the primary market area's rental market is soft, opportunities exist for successful properties. The subject property is a redevelopment of a stable property and will not add additional rental units to the primary market area's rental base.

Map 5 Competitive Rental Communities

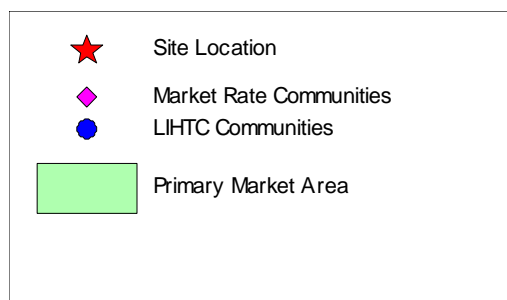
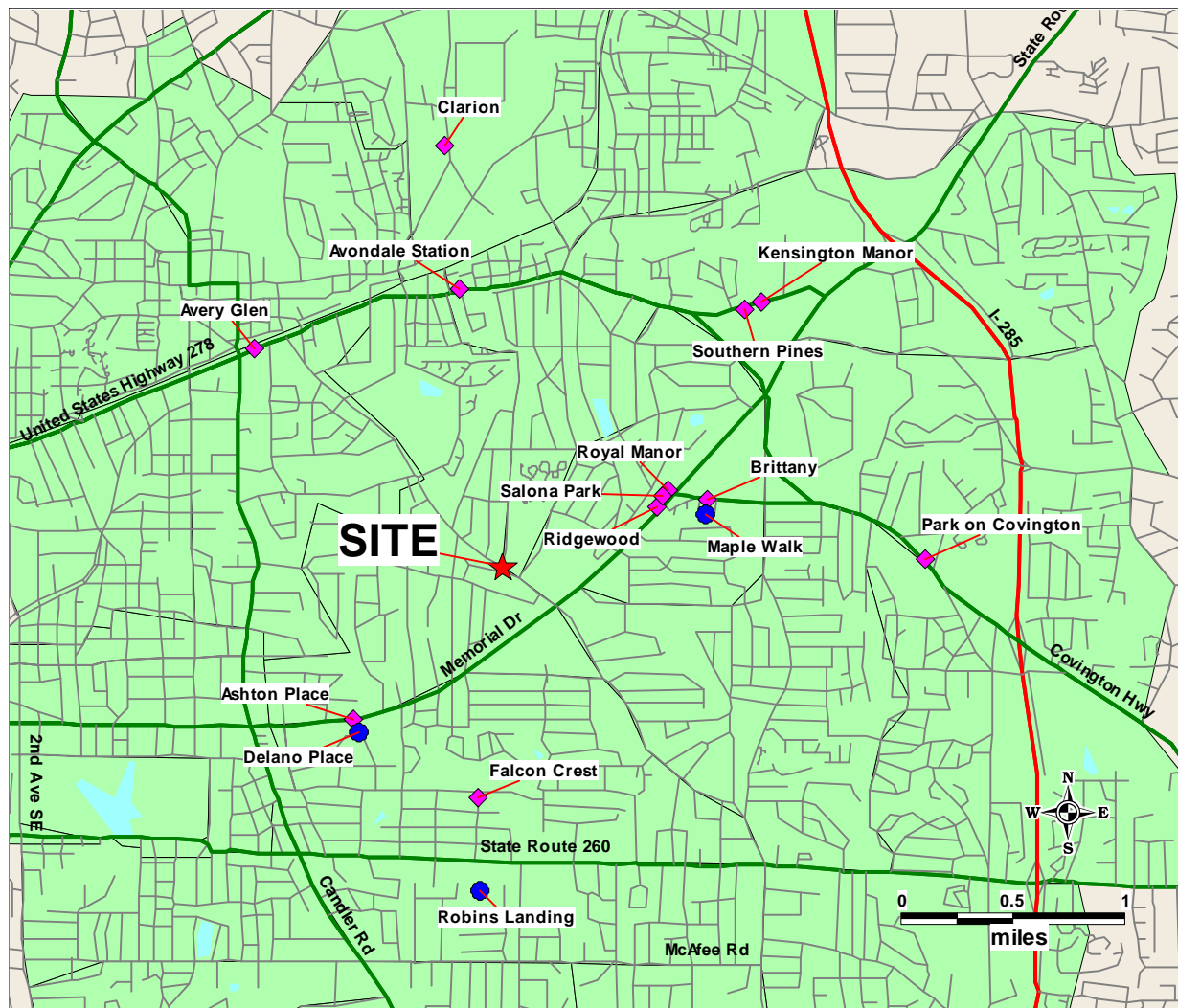


Table 20 Rental Summary, Survryed Rental Communities

Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Average 1BR Rent (1)	Average 2BR Rent (1)	Incentive
Subject Site - 30% AMI		Garden	7			\$295	\$355	
Subject Site - 50% AMI		Garden	39			\$486	\$541	
Subject Site - 60% AMI		Garden	18			\$525	\$575	
Avery Glen	1993	Garden	118	0	0.0%	\$856	\$1,005	None
Clarion	1994	Garden	217	9	4.1%	\$633	\$858	None.
Avondale Station	1948	Garden	212	36	17.0%	\$725	\$813	2.5 Months Free
Maple Walk	1985	Garden	100	0	0.0%		\$745	None.
Robins Landing*	1999	Garden	304	13	4.3%	\$650	\$739	None
Ridgewood	1987	Garden	115	4	3.5%	\$550	\$707	None
Salona Park	1976	Garden/TH	144	38	26.4%	\$496	\$703	None.
Southern Pines	1977	Garden	404	100	24.8%	\$625	\$703	None
Kensington Manor	2003	Garden	340	91	26.8%	\$600	\$679	
Park on Covington	1969	Garden/TH	141	10	7.1%	\$505	\$648	None
Royal Manor	1971	Garden	76	6	7.9%	\$540	\$640	2BR units \$599/month
Ashton Place	1965	Garden	144	0	0.0%	\$545	\$620	None
Brittany*	1969	Garden	216	15	6.9%	\$527	\$614	\$200 off first month's rent.
Delano Place*	1969	Garden	50	3	6.0%	\$475	\$550	None
Falcon Crest	1970	Garden	134	48	35.8%	\$450	\$500	None.
Total/Average	1978		2,715	373	13.7%	\$584	\$702	

LIHTC Communities*

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. June, 2006.

Surveyed rental communities offer a wide range of common area amenities (Table 21). Amenities include community rooms (two properties), a swimming pool (nine properties), tennis courts (one property), a fitness center (one property), and a playground (six properties). Four properties offer no recreational amenities, five properties offer one amenity, five offer two amenities, and one property offers three amenities. The number of recreational amenities is generally proportionate to the rent level of the community. Only three communities offer perimeter fencing with controlled access gates. Although it will not offer the most common recreational amenities (pool), Forrest Heights' level of recreational amenities will exceed the majority of the surveyed properties. The amenities will include a community room, business/computer center, fitness center, children's activity center, library, covered pavilion, and a playground.

Table 21 Common Area Amenities of Surveyed Communities

Community	Community Amenities						
	Clubhouse	Fitness Room	Pool	Playground	Tennis	Business Center	Gated Entry
Subject Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ashton Place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Avery Glen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Avondale Station	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brittany	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Clarion	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Delano Place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Falcon Crest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kensington Manor	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Maple Walk	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Park on Covington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ridgewood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Robins Landing	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Royal Manor	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Salona Park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Southern Pines	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Field Survey, Real Property Research Group, Inc. June, 2006.

The majority (7) of the 15 surveyed communities only include the cost of trash removal in the price of rent (Table 22). The seven remaining communities also include the cost of water and sewer. The subject property will include trash removal, similar to the vast majority of surveyed properties. Dishwashers are present at 14 of 15 surveyed communities and garbage disposals are included at most. Two properties also include a microwave over. The majority of the properties offer patios or balconies in most or all units. All of the communities include central laundry rooms and ten offer washer/dryer connections. One property includes a washer and dryer in each unit at no additional monthly cost.

Among the 15 properties surveyed, none offer efficiency units. One and two bedroom units are offer at 14 and 15 properties, respectively. Based on the unit distribution among these surveyed communities, 24 percent are one bedroom units, 58 percent are two bedroom units, and 18 percent are three bedroom units. Half of the units

at Forrest Heights will have two bedroom units, the most popular floorplan in the primary market area. Although none of the other properties offer efficiency units, these units have been well received at the subject property. The proposed unit mix is comparable with the existing rental stock. As the subject development is a renovation of an existing rental community, it will not alter the composition of the primary market area's housing stock.

The street rents at the existing communities have been adjusted to account for rental incentives and the inclusion of utilities to compute net rent. The average net rent among the surveyed communities is \$556 for a one bedroom unit and \$676 for a two bedroom. The average square footages are 772 and 1,007 for one and two bedroom units, respectively. The proposed LIHTC rents at Forrest Heights are positioned below these overall averages for all income levels. The proposed efficiency units are priced nearly \$100 below the overall one bedroom average. The proposed rents will be accompanied by newly renovated units, competitive amenities, and a convenient location. The proposed rents will be well received in the market and are both reasonable and appropriate.

In order to better understand how the proposed rents compare with the rental market, the rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. As none of the properties offer efficiency units, we adjusted one bedroom units down to determine the market rent for efficiency units. According to our adjustment calculations (Table 24), the market rents for the proposed units at Forrest Heights are \$507 for the efficiency units, \$559 for the one bedroom units, and \$678 for the two bedroom units. The proposed rents all are positioned below the estimates of market rent with rent advantages of ranging from 6 percent to 48 percent.

Table 22 Features of Rental Communities in Primary Market Area

Community	Heat Type	Utilities included in Rent						Dishwasher	Microwave	Parking	In Unit Laundry
		Heat	Hot Water	Cooking	Electric	Water	Trash				
Subject Property	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Standard	Free Surface Parking	Hook Ups
Ashton Place	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	
Avery Glen	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Standard	Free Surface Parking	Hook Ups
Avondale Station	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Select Units		Free Surface Parking	Select Units
Brittany	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	
Clarion	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard	Standard	Free Surface Parking	
Delano Place	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	Hook Ups
Falcon Crest	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Free Surface Parking	Hook Ups
Kensington Manor	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	
Maple Walk	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	Hook Ups
Park on Covington	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	Hook Ups
Ridgewood	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Select Units		Free Surface Parking	Hook Ups
Robins Landing	Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	Standard - Stacked
Royal Manor	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	
Salona Park	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	Select Units
Southern Pines	Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Standard		Free Surface Parking	Select Units

Source: Field Survey, Real Property Research Group, Inc. June, 2006.

Table 23 Salient Characteristics, PMA Rental Communities

Community	Type	Total Units	Efficiency Units			One Bedroom Units			Two Bedroom Units			Three Bedroom Units		
			Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF
Subject Site - 30% AMI	Garden	7	2	\$280	450	\$0.62	2	\$295	600	\$0.49	3	\$355	805	\$0.44
Subject Site - 50% AMI	Garden	39	12	\$450	450	\$1.00	10	\$486	600	\$0.81	17	\$541	805	\$0.67
Subject Site - 60% AMI	Garden	18	2	\$470	450	\$1.04	4	\$525	600	\$0.88	12	\$575	805	\$0.71
Avery Glen	Garden	118					50	\$856	798	\$1.07	68	\$1,005	1,130	\$0.89
Clarion	Garden	217						\$643	751	\$0.86		\$869	1,105	\$0.79
Maple Walk	Garden	100									100	\$756	1,050	\$0.72
Robins Landing* - 60% AMI	Garden	304						\$650	750	\$0.87		\$739	850	\$0.87
Ridgewood	Garden	115						\$555	576	\$0.96		\$713	864	\$0.83
Salona Park	Garden/TH	144					40	\$496	594	\$0.84	20	\$703	1,052	\$0.67
Kensington Manor	Garden	340					68	\$600	728	\$0.82	192	\$675	846	\$0.80
Brittany - Market Rate	Garden	216						\$575	933	\$0.62		\$670	1,140	\$0.59
Avondale Station	Garden	212					28	\$596	875	\$0.68	184	\$668	1,075	\$0.62
Park on Covington	Garden/TH	141						\$505	780	\$0.65		\$648	901	\$0.72
Ashton Place	Garden	144						\$555	760	\$0.73		\$631	900	\$0.70
Royal Manor	Garden	76					35	\$545	900	\$0.61	41	\$605	1,125	\$0.54
Brittany* - 60% AMI	Garden							\$479	933	\$0.51		\$558	1,140	\$0.49
Delano Place* - 60% AMI	Garden	50					18	\$475	706	\$0.67	32	\$550	960	\$0.57
Southern Pines	Garden	404					9	\$364	745	\$0.49		\$525	1,075	\$0.49
Falcon Crest	Garden	134					35	\$450	750	\$0.60	65	\$500	900	\$0.56
Average / Total		2,715						\$556	772	\$0.72		\$676	1,007	\$0.67
Unit Distribution		1,202					283				702			217
% of Total		44%					24%				58%			18%

LIHTC Communities

(1) Rent is adjusted, net of utilities and incentives

Source: Field Survey, Real Property Research Group, Inc. June, 2006.

Table 24 Adjusted Rent Comparison, Forrest Heights

Forrest Heights

Efficiency Units

Project Name	Subject Site	Ashton Place	Kensington Manor	Ridgewood	Salona Park
Total Units	64	144	340	305	144
Building Type	Garden	Garden	Garden	Garden	Garden
Street Rent	\$280, \$450, \$470	\$545	\$600	\$550	\$496
Adjustments					
Year Built	2008	1965	2003	1987	1976
Average Square Footage	450				
Bedroom Adjustment		\$32	\$4	\$16	\$24
Rental Incentives/Specials					
Location					
Condition/Design/Appeal					
Amenities					
Net Adjustment					
Market Rent	\$507	\$512	\$519	\$521	\$475
Market Advantage	14% to 63%				
Market Rent Per Sq. Foot	\$1.13				

One Bedroom Units

Project Name	Subject Site	Ashton Place	Kensington Manor	Ridgewood	Salona Park
Total Units	64	144	340	305	144
Building Type	Garden	Garden	Garden	Garden	Garden
Street Rent	\$295, \$486, \$525	\$545	\$600	\$550	\$496
Adjustments					
Year Built	2008	1965	2003	1987	1976
Average Square Footage	600	760	728	576	594
Bedroom Adjustment		\$32	\$4	\$16	\$24
Rental Incentives/Specials					
Location					
Condition/Design/Appeal					
Amenities					
Net Adjustment					
Market Rent	\$559	\$547	\$562	\$577	\$552
Market Advantage	13% to 65%				
Market Rent Per Sq. Foot	\$0.93				

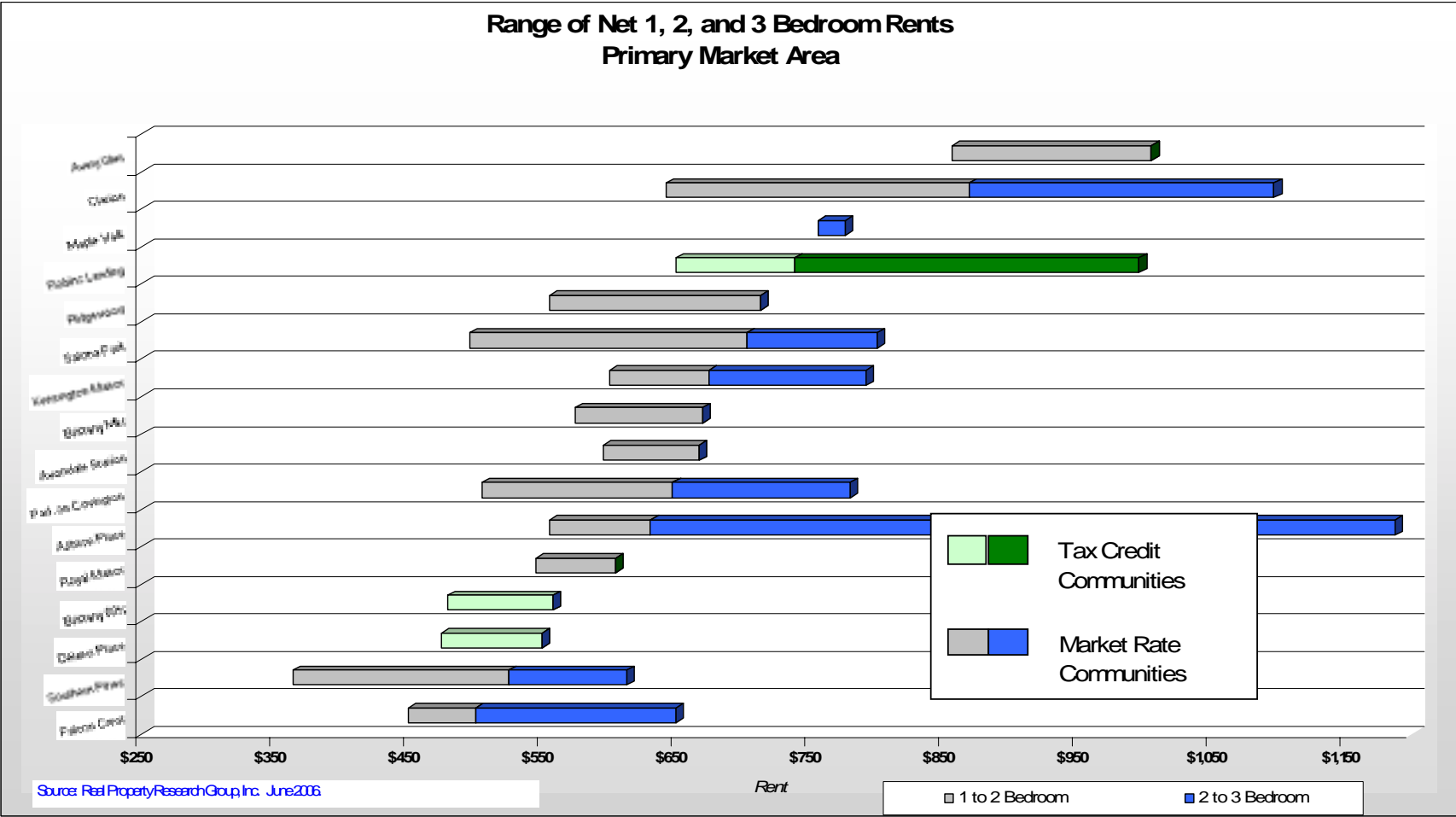
Two Bedroom Units

Project Name	Subject Site	Ashton Place	Kensington Manor	Ridgewood	Salona Park
Total Units	64	144	340	305	144
Building Type	Garden	Garden	Garden	Garden	Garden
Street Rent	\$355, \$541, \$575	\$620	\$675	\$713	\$703
Adjustments					
Year Built	2008	1965	2003	1987	1976
Average Square Footage	805	900	846	864	1,052
Bedroom Adjustment		\$32	\$4	\$16	\$24
Rental Incentives/Specials					
Location					
Condition/Design/Appeal					
Amenities					
Net Adjustment					
Market Rent	\$678	\$639	\$659	\$719	\$695
Market Advantage	12% to 73%				
Market Rent Per Sq. Foot	\$0.84				

Market Advantage Summary

Income Targeting	Efficiency	1BR Market Advantage	2BR Market Advantage
30 Percent LIHTC Units	45%	47%	48%
50 Percent LIHTC Units	11%	13%	20%
60 Percent LIHTC Units	7%	6%	15%

Figure 4 Range of Net Rents



As the figure on the preceding page illustrates, there are no breaks in the range of net rents in the primary market area. Price points are consistently covered by the existing rental stock. Classes of rental communities are not starkly defined in the primary market area. Avery Glen and Clarion represents the top of the rental market. Robins Landing, a four percent LIHTC community, offers LIHTC rents near the top of the market.

C. Proposed Developments

No new or upcoming rental communities were identified in the primary market area. Planning officials with DeKalb County were unaware of upcoming construction of rental communities in the primary market area.

VI. Findings and Conclusions

A. Findings

Based on this review of economic and demographic characteristics of the primary market area and DeKalb County and competitive housing trends, we arrive at the following findings:

The subject property is a suitable location for rental housing.

- Forrest Heights Apartments is an existing rental community located just south of downtown Decatur and Avondale Estates. The immediate area consists of well maintained single-family homes of moderate to high value. The quality of the surrounding single-family detached homes and the brick exteriors of the buildings increase the overall curb appeal of the community.
- Ingress and egress will be via Forrest Boulevard. The property also has frontage along Columbia Drive and Walker Drive. The property has convenient access to Columbia Drive. Walker Drive and Forrest Boulevard provide alternate routes to Columbia Drive, U.S. Highway 278, and Memorial Drive. Traffic lights on Columbia Drive control traffic flow in front of the site and provide an easy connection to Memorial Drive.
- Forrest Heights Apartments is compatible with surrounding land uses. While the immediate area consists of residential uses, many retail developments are located within one-half mile of the subject property.

DeKalb County has a growing economy with a solid outlook.

- DeKalb County's at place employment has experienced net growth of 14,117 jobs since 1990 in spite of fluctuations consistent with the nation's economy.
- Employment by sector in the County is highly diversified, with trade-transportation-utilities leading the way but including significant concentrations in the education-health, government and professional/business sectors.
- The labor force, after experiencing relatively steady growth through the 1990's, surged in 2002, and has continued to surpass the new level since this time.

- Unemployment in DeKalb County has been lower than in the nation every year since 1990.

As an established area of DeKalb County, the market area has not grown as fast as the county. In fact, the market area's population and household counts are projected to decrease through 2010.

- The primary market area's 2000 population represents an increase of 43,547 persons or 4.6 percent from the 1990 Census count. At 22 percent, the rate of increase of DeKalb County's population has been higher during the same time period. From 2000 to 2005, the total population in the primary market area is estimated to have decreased by 3,568 or 3.4 percent. DeKalb County's population increased by 1.7 percent or 11,359 people during the same five-year time period.
- Based on 1990 and 2000 Census data, the PMA grew by 2,340 households, while DeKalb County grew by 40,649 households. These changes equate to a 6.4 percent increase in the primary market area and a 19.5 percent increase in DeKalb County. The annual compounded rates of household growth were 0.6 percent in the PMA and 1.8 percent in DeKalb County.
- The PMA's household count decreased by 1,127 or 2.9 percent between 2000 and 2005 compared to an increase of 2,658 households or 1.1 percent in DeKalb County. Annual changes were estimated at a loss of 225 households or 0.6 percent in the primary market area and an increase of 532 households or 0.2 percent in DeKalb County.
- Household loss in the primary market area is expected continue through 2010, although the rate of loss is expected to slow. The county's household growth rate is expected to accelerate over the next five years.

The primary market area's households are generally older and less affluent than DeKalb County.

- The primary market has an equal or higher percentage of its population between the ages of 10 and 24 years and in each age classification age 45+. DeKalb County has a higher percentage under the age of 10 and between the ages of 25 and 44.

- The primary market area's marriage rate of 32.2 percent is lower than DeKalb County's 40.1 percent marriage rate. The primary market area also has a lower occurrence of children with 28.9 percent of households having children present, compared to 31 percent in the county. Over half (52.2 percent) of the households with children present are single parent households, compared to 39.6 percent of DeKalb County households with children.
- The primary market area has a higher percentage of renter occupied households than does DeKalb County. In 2000, 45.1 percent of the householders in the PMA were renters. In comparison, 41.5 percent of DeKalb County householders rented. The renter percentage in the Atlanta MSA was only 31.5 percent in 2000.
- Claritas estimates the 2005 median income for all households living in the primary market area was \$45,158, \$10,496 or 18.8 percent lower than the DeKalb County median of \$55,564. The primary market area has a higher percentage of its householders less than \$50,000. DeKalb County has a higher percentage in all income cohorts above \$50,000.
- The lower overall median income in the primary market area is a result of its much higher renter percentage as renters generally earn less than owners. When compared based on tenure, the market area's median is comparable to the county median.

The rental stock has expanded little over that past two decades. A wide variety of property types and amenities are represented in the primary market area.

- The primary market supports a lower density rental stock than DeKalb County. The primary market area has a higher percentage of its rental units in single-family detached homes, duplexes, structures with 3-4 units, and structures with 20+ units. Structures with five or more units contain 51.6 percent of the market area's rental units and 61.1 percent of the county's rental units.
- The fifteen surveyed rental communities combine to offer 2,715 rental units. Thirteen communities offer all garden style units and two offer both garden and townhouse units. The average year built of the surveyed rental communities is 1978. None of the surveyed rental communities have been built since 2000, however Kensington Manor was renovated in 2003 and Robins Landing in 1999.

- Among the 2,715 units surveyed, 371 were reported vacant for an overall vacancy rate of 13.7 percent. Five of the surveyed rental communities reported vacancy rates of 17 percent or greater. These five communities account for 83.9 percent of the market area's vacancies (313 of 371), but only 45.4 percent of the total units (1,234 of 2,715). These communities are generally the largest in the primary market area and have not been well maintained, with the exception of Kensington Manor.
- Eight of the 15 surveyed communities reported a vacancy rate of 7 percent or lower. Despite the high overall vacancy rate, only three of the fifteen surveyed rental communities are currently offering rental incentives. Well maintained communities, including the three with tax credit units, reported low or stable vacancy rates. The subject property, Forrest Heights, currently has a vacancy rate of only 6 percent. While the primary market area's rental market is soft, opportunities exist for successful properties. The subject property is a redevelopment of a stable property and will not add additional rental units to the primary market area's rental base.
- The estimated market rents for the proposed units at Forrest Heights are \$507 for the efficiency units, \$559 for the one bedroom units, and \$678 for the two bedroom units. The proposed rents are positioned well below the estimates of market rent with rent advantages of ranging from 6 percent to 48 percent.

B. Affordability Analysis

To understand the depth of the rental market for affordable housing in the primary market area, we have conducted an affordability analysis for the proposed units (Table 25). This capture rate reflects the percentage of income-qualified households in the market that the subject property must capture in order to gain full occupancy.

- To calculate the income distribution for 2008, we projected incomes based on Claritas' income distributions for 2005 and 2010, and the relationship of owner/renter incomes by income cohort from the 2000 Census. The maximum income limits are based on DCA's requirements that the average persons per bedroom be rounded to the nearest whole number. Therefore, instead of the standard of 1.5 persons per bedroom as outlined in Section 42 of the IRS code, we have assumed 1 person for an efficiency unit, 2 persons for a one bedroom unit, 3 persons for two bedroom units, and 5 persons for three bedroom units.
- Using a 35 percent rent burden criteria, we determined that the gross efficiency rent (\$346) for the 30 percent units would be affordable to households earning a minimum of \$11,863, which includes 33,562 households in the primary market area.
- Based on the 2006 HUD income limits for households at 30 percent of median income, the maximum income allowed for an efficiency unit in this market would be \$14,940. We estimate that 32,510 households within the primary market area have incomes above that maximum.
- Subtracting the 32,510 households with incomes above the maximum income from the 33,562, households that could afford to rent this unit, we compute that 1,052 households are within the band of being able to afford the proposed rent. The proposed 2 thirty percent efficiency units would require a capture rate of 0.2 percent of all qualified households. Among renter households, the capture rate for this floorplan is 0.3 percent. Using the same methodology, we determined the band of qualified households for each of the other bedroom types offered in the community.

- Given the income requirements of each unit type and the overlap of income bands, project wide affordability bands were calculated. Looking at all 64 units, the project will need to absorb 0.6 percent of the 10,822 households that earn between \$11,863 and \$38,460 in the primary market area. For renter households, the 64 proposed units must capture 0.9 percent of the income qualified renter households.
- Affordability by floorplan indicates that there are a sufficient number of income-qualified households for all floorplans.

Table 25 Affordability Analysis for Forrest Heights

Efficiency Units					One Bedroom Units					Two Bedroom Units							
30% Units	Base Price		Minimum	Maximum	Base Price		Minimum	Maximum	Base Price		Proposed	Maximum					
	Number of Units		2		Number of Units		7		Number of Units		3						
	Net Rent		\$280		Net Rent		\$295		Net Rent		\$355						
	Gross Rent		\$346		Gross Rent		\$376		Gross Rent		\$453						
	% Income Spent for Shelter		35%		% Income Spent for Shelter		35%		% Income for Shelter		35%						
	Income Range		\$11,863	\$14,940	Income Range		\$12,891	\$17,100	Income		\$15,531	\$19,230					
	Range of Qualified Hslds		33,562	32,510	Range of Qualified Hslds		33,210	31,683	Band of Qualified Hslds		32,285	30,864					
	# Qualified Households			1,052	# Qualified Households			1,528	# Qualified Households			1,421					
Unit Total HH Capture Rate				0.2%		Unit Total HH Capture Rate				0.5%		Unit Total HH Capture Rate		0.2%			
Range of Qualified Renters				13,701		12,914		Range of Qualified Renters				13,438		12,295			
# Qualified RenterHouseholds				787		# Qualified RenterHouseholds				1,143		# Qualified RenterHouseholds				1,063	
Unit Renter HH Capture Rate				0.3%		Unit Renter HH Capture Rate				0.6%		Unit Renter HH Capture Rate				0.3%	
50% Units	Base Price		Minimum	Maximum	Base Price		Minimum	Maximum	Base Price		Proposed	Maximum					
	Number of Units		12		Number of Units		9		Number of Units		17						
	Net Rent		\$450		Net Rent		\$486		Net Rent		\$541						
	Gross Rent		\$516		Gross Rent		\$567		Gross Rent		\$639						
	% Income Spent for Shelter		35%		% Income Spent for Shelter		35%		% Income for Shelter		35%						
	Income Range		\$17,691	\$24,900	Income Range		\$19,440	\$28,500	Income		\$21,909	\$32,050					
	Range of Qualified Hslds		31,455	28,432	Range of Qualified Hslds		30,784	26,884	Band of Qualified Hslds		29,736	25,391					
	# Qualified Households			3,023	# Qualified Households			3,899	# Qualified Households			4,345					
Unit Total HH Capture Rate				0.4%		Unit Total HH Capture Rate				0.2%		Unit Capture Rate				0.4%	
Range of Qualified Renters				12,125		10,086		Range of Qualified Renters				11,622		9,089			
# Qualified RenterHouseholds				2,039		# Qualified RenterHouseholds				2,534		# Qualified RenterHouseholds				2,798	
Unit Renter HH Capture Rate				0.6%		Unit Renter HH Capture Rate				0.4%		Unit Renter HH Capture Rate				0.6%	
60% Units	Base Price		Proposed	Maximum	Base Price		Proposed	Maximum	Base Price		Proposed	Maximum					
	Number of Units		2		Number of Units		4		Number of Units		12						
	Net Rent		\$470		Net Rent		\$525		Net Rent		\$575						
	Gross Rent		\$536		Gross Rent		\$606		Gross Rent		\$673						
	% Income for Shelter		35%		% Income for Shelter		35%		% Income for Shelter		35%						
	Income		\$18,377	\$29,880	Income		\$20,777	\$34,200	Income		\$23,074	\$38,460					
	Range of Qualified Hslds		31,192	26,291	Range of Qualified Hslds		30,230	24,502	Band of Qualified Hslds		29,228	22,740					
	# Qualified Households			4,901	# Qualified Households			5,728	# Qualified Households			6,488					
Unit Total HH Capture Rate				0.0%		Unit Total HH Capture Rate				0.1%		Unit Capture Rate				0.2%	
Range of Qualified Renters				11,928		8,707		Range of Qualified Renters				11,243		7,555			
# Qualified RenterHouseholds				3,221		# Qualified RenterHouseholds				3,689		# Qualified RenterHouseholds				4,178	
Unit Renter HH Capture Rate				0.1%		Unit Renter HH Capture Rate				0.1%		Unit Renter HH Capture Rate				0.3%	
Gross Capture Rate by Income Group					Total Households					Renter Households							
Number of Units					Band of Qualified HHs					# Qualified HHs							
30% Units					7					Income HHs							
					Income HHs					Income HHs							
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					50%												

Source: 2000 U.S. Census, Estimates, Real Property Research Group, Inc.

D. DCA Demand Calculations

DCA's demand methodology consists of three components. The first is income qualified renter households living in substandard households. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to US Census data, the percentage of renter households in the primary market area that living in "substandard" conditions is 11.9 percent (Table 26).

The second component of demand is population growth. This number is the number of age and income qualified renter households anticipated to move into the market area between 2000 and 2008

The final component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to Census data, 35.4 percent of renter households are categorized as cost burdened. As the demand from this component is often overstated and includes households already counted as "substandard", we have assumed only two-thirds of the demand from cost burdened renters.

DCA requires that demand be calculated with several variations. Demand and capture rates are to be calculated for all low income units, all market rate units, on a floorplan basis, all units.

DCA considers units that have been constructed since the base year of the demand estimate (2000) to have an impact on the future demand for new development. No such units were identified in the primary market area.

The capture rates for all of these demand calculations indicate that there is sufficient demand to support the proposed units at Forrest Heights. Demand by floorplan indicates an appropriate unit mix (Table 29). The capture rates shown in the following tables do not account for existing tenant retention. Sufficient demand exists to support the units at Forrest Heights.

Table 26 Cost Burdened and Substandard Calculation

Rent Cost Burden			Substandardness	
Total Households			Total Households	
Less than 10.0 percent	791	4.5%	Owner occupied:	
10.0 to 14.9 percent	1,728	9.9%	Complete plumbing facilities:	21,254
15.0 to 19.9 percent	2,318	13.2%	1.00 or less occupants per room	20,504
20.0 to 24.9 percent	2,342	13.4%	1.01 or more occupants per room	519
25.0 to 29.9 percent	2,073	11.8%	Lacking complete plumbing facilities:	231
30.0 to 34.9 percent	1,501	8.6%	Overcrowded or lacking plumbing	750
35.0 to 39.9 percent	948	5.4%		
40.0 to 49.9 percent	1,295	7.4%	Renter occupied:	
50.0 percent or more	3,654	20.8%	Complete plumbing facilities:	17,478
Not computed	890	5.1%	1.00 or less occupants per room	15,296
Total	17,540	100.0%	1.01 or more occupants per room	1,380
			Lacking complete plumbing facilities:	802
> 35% income on rent	5,897	35.4%	Overcrowded or lacking plumbing	2,182
			Substandard Housing	2,932
			% Total Stock Substandard	7.37%
			% Rental Stock Substandard	11.94%

Source: 2000 U.S. Census

Table 27 Overall Demand Estimates

Primary Market Area Demand	LIHTC Units
Substandard Households	2,100
Renter Household Growth	-755
Cost Burdened Renter HH's	4,154
Total Demand	5,499
% Income Qualified	43.2%
Income Qualified Demand	2,378
Recent and Pipeline	0
Net Income Qualified Demand	2,378
Units in Subject Property	64
Capture Rate	2.7%

Table 28 Detailed Gross Demand Estimates

Demand from Substandard Households

2000 Households		Substandard Percentage		2000 Substandard Households
38,991	times	11.94%	equals	4,654
2000 Substandard Households		% of Renters Per Census		2000 Substandard Renter Households
4,654	times	45.12%	equals	2,100

Demand from Household Growth

2008 Households		2000 Households		Household Change
37,318	minus	38,991	equals	-1,673
Household Change		% of Renters Per Census		Renter Household Change
-1,673	times	45.12%	equals	-755

Demand from Cost Burdened Renters

2000 Households		% of Renters Per Census		2000 Renter Households
38,991	times	45.12%	equals	17,594
2000 Renter Households		% Cost Burdened		2000 Cost Burdened Renter Households
17,594	times	35.42%	equals	6,231
2000 Cost Burdened Renter Households		% Considered Likely As Demand		Likely Demand from Cost Burdened
6,231	times	66.66%	equals	4,154

E. DCA Estimates and Capture Rates by Floorplan and Income

Table 29 Demand Estimates and Capture Rates by Floorplan and Income Level

	LIHTC (30% AMI) Units		
	Eff.	1-BR	2-Br
Substandard Households	2,100	2,100	2,100
Renter Household Growth	-755	-755	-755
Cost Burdened Households	4,154	4,154	4,154
Total Demand	5,499	5,499	5,499
% Income Qualified	4.7%	6.8%	6.3%
Income Qualified Demand	257	373	347
Recent and Pipeline	0	0	0
Net Demand	257	373	347
Proposed Units	2	7	3
Capture Rate	0.8%	1.9%	0.9%

	LIHTC (50% AMI) Units		
	Eff.	1-BR	2-Br
Substandard Households	2,100	2,100	2,100
Renter Household Growth	-755	-755	-755
Cost Burdened Households	4,154	4,154	4,154
Total Demand	5,499	5,499	5,499
% Income Qualified	12.1%	15.0%	16.6%
Income Qualified Demand	666	827	914
Recent and Pipeline	0	0	0
Net Demand	666	827	914
Proposed Units	12	9	17
Capture Rate	1.8%	1.1%	1.9%

	LIHTC (60% AMI) Units		
	Eff.	1-BR	2-Br
Substandard Households	2,100	2,100	2,100
Renter Household Growth	-755	-755	-755
Cost Burdened Households	4,154	4,154	4,154
Total Demand	5,499	5,499	5,499
% Income Qualified	19.1%	21.9%	24.8%
Income Qualified Demand	1,052	1,205	1,364
Recent and Pipeline	0	0	0
Net Demand	1,052	1,205	1,364
Proposed Units	2	4	12
Capture Rate	0.2%	0.3%	0.9%

F. Project Feasibility

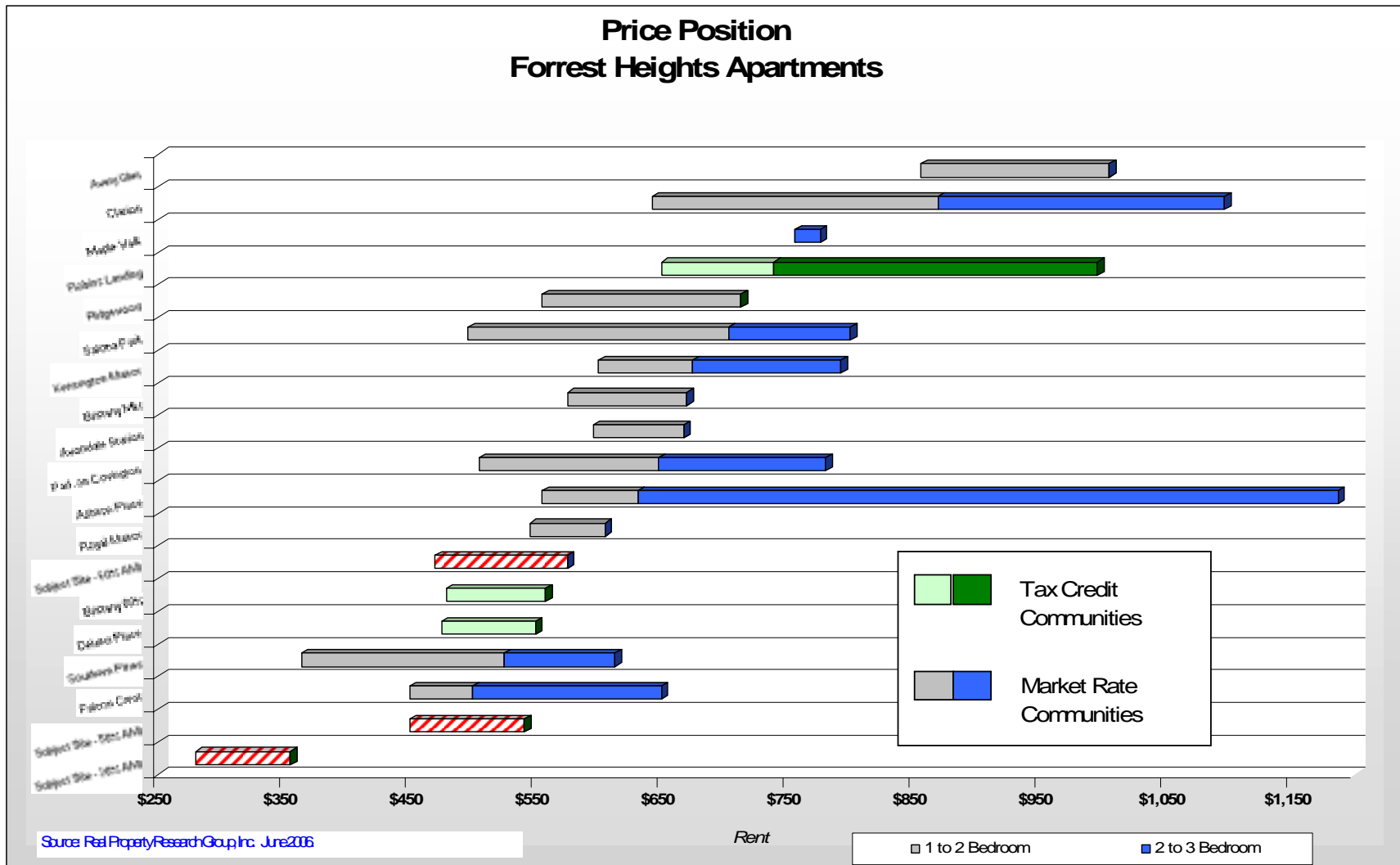
Looking at the proposed Forrest Heights compared to existing rental alternatives in the market, the project's appeal and strength is as follows:

- **Community Design:** The proposed renovated community will be positioned in the middle to upper half of the primary market area's rental stock in terms of appeal. Given the age and inherent design characteristics, including layout and size, the community will not compete with the communities at the top of the rental market. The units at Forrest Heights will be competitive with properties at and above the proposed rent levels. The brick exteriors and wooded site are assets to the community's curb appeal.
- **Location:** The subject property is located in an established area of western DeKalb County. The subject property is convenient to shopping, education, health care, public transportation, and area traffic arteries. The adjacent single-family detached homes have been well maintained and are more attractive than the surrounding land uses of many of the existing rental communities.
- **Amenities:** The proposed Forrest Heights will offer competitive amenities. These amenities will be among the most extensive in the primary market area. The proposed amenities, including appliance package, is appropriate given the proposed rent levels.
- **Unit Mix:** The unit mix distribution of the 64 units at Forrest Heights Apartments is appropriate and compatible with the existing rental stock. The efficiency and one bedroom units will appeal to single person householders and couples, while the two bedroom units will appeal to moderately sized families and those desiring additional space. Half of the units will have two bedrooms, the most popular floorplan in the primary market area.
- **Unit Size:** Forrest Heights' square footages are smaller than the overall market averages. Coupled with lower rents, the square footages result in competitive rents per square foot. These smaller square footages will not prevent Forrest Heights from achieving the proposed rents.
- **Price:** The proposed rents are positioned at the bottom of the range of net rent for 30 percent and 50 percent rent levels (Figure 5). The proposed 60 percent rents are positioned in the lower half of the range of net rent. These proposed rents will be competitive given the convenient location, community design, competitive amenities, and the appeal of newly renovated units. The product

proposed at Forrest Heights is competitive with the communities priced at higher price points. The proposed rents are reasonable and appropriate.

- **Demand:** The affordability analysis and DCA demand estimates indicate that there is sufficient demand to support the proposed development and the recently constructed units in the primary market area.

Figure 5 Product Position, Forrest Heights



G Absorption Estimate

Data on recent absorptions in the primary market area is not available and cannot be used to estimate the absorption at Forrest Heights as the two newest renovations have been in 2003 and 1999. No new communities have been constructed since 2000.

We believe that given the proposed design characteristics, extensive amenities/services, strong demand estimates, and competitive rents, and assuming an aggressive, professional marketing campaign, Forrest Heights Apartments should be able to lease up at a minimum rate of **5 units per month**. Based on this absorption pace, Forrest Heights should reach 93 to 95 percent occupancy within 6-12 months depending on tenant retention. The 12 month lease-up period assumes no tenant retention, which is highly unlikely. We believe that Forrest Heights will operate with a vacancy rate of 4 to 7 percent, given market conditions. The placed-in-service date is estimated as two years from the date of this report, per DCA's instruction.

The conversion of Forrest Heights to a LIHTC property is not expected to negatively impact the existing rental communities in the primary market area. The proposed unit mix includes units at three bedroom sizes and income levels, decrease its affect on any one rental community. The negative affect on existing properties will be diminished by tenant retention, which is expected to be at least 50 percent.

We believe the product is properly positioned and will be well received in the primary market area.

Appendix 1 Underlying Assumptions and Limiting Conditions

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are neither existing judgments nor any pending or threatened litigation which could hinder the development, marketing or operation of the subject project.

The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.

Appendix 2 Analyst Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.
- The market study was not based on tax credit approval or approval of a loan. My compensation is not contingent upon the reporting of a predetermined demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- I have made a personal inspection of the property that is the subject of this report.



Tad Scepaniak
Regional Director
Real Property Research Group, Inc.

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years or both.

Appendix 3 Resumes

TAD SCEPANIAK

Mr. Scepaniak directs our Atlanta office. He has approximately nine years of experience in the field of residential rental market research. Before joining the firm, Tad was president of national firm, where he was involved extensively in the Low Income Tax Credit program throughout the entire United States. Mr. Scepaniak has completed work in approximately 25 states and Puerto Rico over the past eight years. He also has experience conducting studies under the HUD 221d program, market rate rental properties, and student housing developments. Along with work for developer clients, Tad has led our research efforts for both the North Carolina and Georgia Housing Finance agencies. Mr. Scepaniak is also responsible for development and implementation of many of the firm's automated analytic systems.

Tad is a member of the National Council of Affordable Housing Market Analysts' (NCAHMA) Standards Committee and has been involved in the development of the organization's Standard Definitions, Recommended Market Study Content, and various white papers regarding market areas, derivation of market rents, and selection of comparable properties.

Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions. Mr. Scepaniak not only works with developers in their efforts to obtain tax credit financing, but also has received large contracts with state housing agencies including North Carolina Housing Finance Agency and Georgia Department of Community Affairs.

Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.

Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

Education:

Bachelor of Science – Marketing Research; Berry College – Rome, Georgia.

ROBERT M. LEFENFELD

Mr. Lefenfeld founded Real Property Research Group in February 2001 after more than 20 years of experience in the field of residential market research. As an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason, he has closely monitored residential markets throughout the Mid-Atlantic United States. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for-sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles.

Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, where he analyzed markets throughout the Eastern United States and evaluated the company's active building operation on an ongoing basis.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders and the National Council on Seniors Housing. Recent articles have appeared in ULI's Multifamily Housing Trends magazine. Mid-Atlantic Builder.

Bob is currently a member of the National Council of Affordable Housing Market Analysts' executive committee serving as Vice-Chair.

Areas of Concentration:

Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects of these analyses have included for-sale single family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations, and continuing care facilities for the elderly. In addition, he has conducted feasibility work in conjunction with Hope VI applications for redevelopment of public housing sites and analyses of rental developments for 221(d)4 insurance and tax credit applications.

Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for-sale housing, pipeline information, and rental communities. Information compiled is committed to a Geographic Information System (GIS), allowing the comprehensive integration of data.

Education:

Masters of Urban and Regional Planning; The George Washington University.
Bachelor of Arts, Political Science; Northeastern University.

Appendix 4 DCA Market Study Checklist

I understand that by initializing (or checking) the following items, I am stating that those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report. A list listing of page number(s) is equivalent to check or initializing.

The report was written according to DCA's market study requirements, that the information included is accurate and that the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

I also certify that I have inspected the subject property as well as all rent comparables.



Signed: _____

Date: July 10, 2006

Tad Scepianiak

A. Executive Summary

1	Market demand for subject property given the economic conditions of the area.	Page	III
2	Projected Stabilized Occupancy Level and Timeframe.	Page	IV
3	Appropriateness of unit mix, rent and unit sizes.	Page	V
4	Appropriateness of interior and exterior amenities including Appliances.	Page	V, VI
5	Location and distance of subject property in relationship to local amenities.	Page	VI
6	Discussion of capture rates in relationship to subject.	Page	VI, VIII
7	Conclusion regarding the strength of the market for subject.	Page	VII, VIII

B. Project Description

Project address, legal description and location. *A legal description is not provided as it was not available.*

Legal descriptions are not considered a concern regarding feasibility or appeal of the site.

1	Number of units by unit type.	Page	3
2	Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc).	Page	15
3	Rents and Utility Allowance*.	Page	15
4	Existing or proposed project based rental assistance.	Page	2
5	Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.).	Page	2
6	For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property.	Page	11-12
7	Projected placed in service date.	Page	4
8	Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page	65
9		Page	1, 11

10	Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs, etc.	Page	1
11	Special Population Target (if applicable).	Page	1

C. Site Evaluation

1	Date of Inspection of Subject Property by Market Analyst.	Page	III
2	Physical features of Subject Property and Adjacent Uses.	Page	3
3	Subject Photographs (front, rear, and side elevations as well as street scenes).	Page	5
4	Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject.	Page	13, 14
5	Developments in vicinity to subject and proximity in miles (Identify developments surrounding subject on all sides) - zoning of subject and surrounding uses.	Page	3, 13, 14
6	Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject.	Page	41
7	Road or infrastructure improvements planned or under construction in the PMA.	Page	16
8	Comment on access, ingress/egress and visibility of subject.	Page	3
9	Any visible environmental or other concerns .	Page	16
10	Overall conclusions of site and their marketability.	Page	3

D. Market Area

1	Map identifying Subject's Location within PMA .	Page	19
2	Map identifying Subject's Location within SMA, if applicable.	Page	N/A

E. Community Demographic Data

Data on Population and Households Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry. <i>Population and household estimates are given for 1990, 2000, 2005, and 2010. Household estimates for 2007 are used in the demand calculations. All projections for future years are based on historical data from the 2000 census and Claritas projections. The annual compounded growth rate would be the same between 2000 and 2002 as it would be for between 2000 and 2005 or between 2002 and 2007, etc. The bench mark years and a five year projection are considered the most accurate population and household estimates. Additional estimates can be provided, however were omitted in an effort to simplify this section. Estimates of household growth for various years are used throughout the report in the demand, affordability and capture rate analyses.</i>	Page	28, 57, 59
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------	------------

1. Population Trends

a.	Total Population.	Page	28
b.	Population by Age Group.	Page	31
c.	Number of elderly and non-elderly (for elderly projects).	Page	31
d.	If a special needs is proposed, additional information for this segment.	Page	N/A

2. Household Trends

a.	Total number of households and average household size.	Page	28
b.	Households by tenure (# of owner and renter households).	Page	33
	Elderly by tenure, if applicable.		N/A

c.	Households by Income (Elderly, if applicable, should be allocated separately).	Page	N/A
d.	Renter households by # of persons in the household.	Page	

3. Employment Trend

a.	Employment by industry— #s & % (i.e. manufacturing: 150,000 (20%)).	Page	22
b.	Major employers, product or service, total employees, anticipated expansions, contractions in work forces, as well as newly planned employers and impact on employment in the PMA.	Page	2020
c.	Unemployment trends for the PMA and, where possible, the county total workforce for unemployment trends for the last two to four years.	Page	26
d.	Map of the site and location of major employment concentrations.	Page	24
e.	Overall conclusions.	Page	22

F. Project Specific Demand Analysis

1	Income Restrictions - uses applicable incomes and rents in the development's tax application.	Page	2
2	Affordability - Delineation of Income Bands *.	Page	2, 57, 59
3	Comparison of market rates of competing properties with proposed subject market rent.	Page	42, 47, 64
4	Comparison of market rates of competing properties with proposed LIHTC rents.	Page	42, 47, 64
5	Demand Analysis Using Projected Service Date (within 2 years).	Page	58 - 61
a.	New Households Using Growth Rates from Reputable Source.	Page	58 - 61
b.	Demand from Existing Households. (Combination of rent overburdened and substandard)	Page	58 - 61
c.	Elderly Households Converting to Rentership (applicable only to elderly).	Page	58 - 61
d.	Deduction of Supply of "Comparable Units".	Page	58 - 61
e.	Capture Rates for Each Bedroom Type.	Page	61

G. Supply Analysis

a.	Comparative chart of subject amenities and competing properties.	Page	44, 46
b.	Supply & analysis of competing developments under construction & pending.	Page	50
c.	Comparison of competing developments (occupancy, unit mix and rents).	Page	42, 47
d.	Rent Comparable Map (showing subject and comparables).	Page	41
e.	Assisted Projects in PMA *. Multi-Family Building Permits issued in PMA in last two years. <i>The most recent building permit data is provided for DeKalb County. As with unemployment data, building permits are only available for counties and municipalities. Given that the PMA includes all or portions of several permit issuing entities, it would be impossible to determine which of these permits are located in the PMA. The primary market area's activity is considered comparable to county activity.</i>	Page	47
f.		Page	29

* PHA properties are not considered comparable with LIHTC units.

H. Interviews

Names, Title, and Telephone # of Individuals Interviewed. *Data obtained through interviews is used throughout the report including in the upcoming competition sections and the rental summary. Many of the interviews with planning personnel occur in person; therefore a phone number is not available. Data obtained through interviews with property managers is presented in the rental analysis section and the profile sheets at the end of the report.*

Page Various

I. Conclusions and Recommendations

- a. Conclusion as to Impact of Subject on PMA.
- b. Recommendation as to Subject's Viability in PMA.

Page 65

Page 61, 65

J. Signed Statement

- a. Signed Statement from Analyst.

Page 68

K. Comparison of Competing Properties

Page

- a. Provided under separate cover.

Appendix 5 Community Photos and Profiles

Ashton Place

Multifamily Community Profile

3106 Memorial Drive
Atlanta, GA

CommunityType: Market Rate - General

Structure Type: Garden

144 Units 0.0% Vacant (0 units vacant) as of 6/13/2006

Opened in 1965



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	Comm Rm:	Basketball:
One	--	\$550	760	\$0.72	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis:
One/Den	--	--	--	--	Elevator:	Volleyball:
Two	--	\$626	900	\$0.70	Fitness:	CarWash:
Two/Den	--	--	--	--	Hot Tub:	BusinessCtr:
Three	--	\$1,182	1,175	\$1.01	Sauna:	ComputerCtr:
Four+	--	--	--	--	Playground:	

Features

Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Patio/Balcony; Carpet / Vinyl/Linoleum

Select Units: --

Optional(\$): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 6/13/2006) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$545	760	\$0.72	Market	6/13/06	0.0%	\$550	\$626	\$1,182
Garden	--	2	1	--	\$620	900	\$0.69	Market					
Garden	--	3	2	--	\$1,175	1,175	\$1.00	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Natural Gas

Heat: ☐ Cooking: ☐ Wtr/Swr: ☐

Hot Water: ☐ Electricity: ☐ Trash: ☒

Ashton Place

GA089-009052

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Avery Glen

Multifamily Community Profile

339 E. College Avenue
Decatur, GA

Community Type: Market Rate - General

Structure Type: Garden

118 Units 0.0% Vacant (0 units vacant) as of 6/13/2006

Opened in 1993

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	42.4%	\$856	798	\$1.07	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	57.6%	\$1,005	1,130	\$0.89	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; HighCeilings; Storage (In Unit); Carpet / Vinyl/Linoleum						
Select Units: --						
Optional(\$): --						
Security: Unit Alarms; Gated Entry						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Courtesy Officer on site.

Floorplans (Published Rents as of 6/13/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	50	\$856	798	\$1.07	Market	6/13/06	0.0%	\$856	\$1,005	--
Traditional / Garden	--	2	2	24	\$956	1,087	\$0.88	Market					
Roommate Style / Garden	--	2	2	44	\$1,032	1,153	\$0.90	Market					
									Adjustments to Rent				
									Incentives:				
									None				
									Utilities in Rent: Heat Fuel: Electric				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Avery Glen

GA089-009050

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(1) *Effective Rent* is *Published Rent*, net of utilities and concessions. (2) *Published Rent* is rent as quoted by management.

Brittany

Multifamily Community Profile

3246 Covington Drive
Decatur, GA 30032

CommunityType: LIHTC - General

Structure Type: Garden

216 Units 6.9% Vacant (15 units vacant) as of 6/14/2006

Opened in 1969



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$510	933	\$0.55	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$597	1,140	\$0.52	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Ceiling Fan; Central A/C; Patio/Balcony; Storage (In Unit); Carpet / Vinyl/Linoleum						
Select Units: --						
Optional(\$): --						
Security: Gated Entry						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Vacancy: 6 at market rate (2 standard 1BR and 4 2BR) and 9 at LIHTC (3 standard 1BR, 2 junior 1BR, and 4 2BR)

180 units at 60% and 36 at market.

Floorplans (Published Rents as of 6/14/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Delux / Garden	--	1	1	--	\$495	1,000	\$0.50	LIHTC/ 60%	6/14/06	6.9%	\$510	\$597	--
Delux / Garden	--	1	1	--	\$595	1,000	\$0.60	Market					
Junior / Garden	--	1	1	--	\$467	850	\$0.55	LIHTC/ 60%					
Junior / Garden	--	1	1	--	\$560	850	\$0.66	Market					
Standard / Garden	--	1	1	--	\$475	950	\$0.50	LIHTC/ 60%					
Standard / Garden	--	1	1	--	\$570	950	\$0.60	Market					
2 BR / Garden	--	2	1	--	\$558	1,140	\$0.49	LIHTC					
2 BR / Garden	--	2	1	--	\$670	1,140	\$0.59	Market					
									Adjustments to Rent				
									Incentives:				
									\$200 off first month's rent.				
									Utilities in Rent: Heat Fuel: Natural Gas				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Brittany

GA089-009048

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Clarion

Multifamily Community Profile

10 Rimington Lane
Decatur, GA 30030

CommunityType: Market Rate - General

Structure Type: Garden

217 Units 4.1% Vacant (9 units vacant) as of 6/14/2006

Opened in 1994



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$638	751	\$0.85	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$864	1,105	\$0.78	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$1,092	1,373	\$0.80	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; Patio/Balcony; HighCeilings; Storage (In Unit); Carpet / Vinyl/Linoleum						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: Detached Garage		
Fee: --				Fee: \$60		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 6/14/2006) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	Studio	0	1	--	\$635	850	\$0.75	Market	6/14/06	4.1%	\$638	\$864	\$1,092
Small / Garden	--	1	1	--	\$635	742	\$0.86	Market					
Medium / Garden	--	1	1	--	\$630	759	\$0.83	Market					
Small 2BR / Garden	--	2	2	--	\$815	1,072	\$0.76	Market					
Medium 2 BR / Garden	--	2	2	--	\$845	1,102	\$0.77	Market					
Large 2 BR / Garden	--	2	2	--	\$915	1,140	\$0.80	Market					
Garden	--	3	2	--	\$1,085	1,373	\$0.79	Market					

Adjustments to Rent

Incentives:

None.

Utilities in Rent: Heat Fuel: Electric

Heat: ☐ Cooking: ☐ Wtr/Swr: ☐

Hot Water: ☐ Electricity: ☐ Trash: ☒

Clarion

GA089-009056

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Delano Place

Multifamily Community Profile

1570 Delano Drive
Decatur, GA

Community Type: LIHTC - General

Structure Type: Garden

50 Units 6.0% Vacant (3 units vacant) as of 6/14/2006

Opened in 1969

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	36.0%	\$475	706	\$0.67	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	64.0%	\$550	960	\$0.57	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; HighCeilings; Carpet / Vinyl/Linoleum						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

6/14 Survey date - Vacancies are 2- 2BR and 1- 1BR. All units are LIHTC.

Property has units offered at both 50% and 60%. No breakout of mix was available.

Floorplans (Published Rents as of 6/14/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	18	\$475	706	\$0.67	LIHTC	6/14/06	6.0%	\$475	\$550	--
Garden	--	2	2	32	\$550	960	\$0.57	LIHTC					
									Adjustments to Rent				
									Incentives:				
									None				
									Utilities in Rent: Heat Fuel: Electric				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Delano Place

GA089-009054

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Falcon Crest

Multifamily Community Profile

1668 Welika Drive
Decatur, GA 30032

CommunityType: Market Rate - General

Structure Type: Garden

134 Units 35.8% Vacant (48 units vacant) as of 6/14/2006

Opened in 1970



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	26.1%	\$450	750	\$0.60	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	48.5%	\$500	900	\$0.56	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	25.4%	\$650	1,050	\$0.62	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	
Features						
Standard: In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; HighCeilings; Carpet / Vinyl/Linoleum						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 6/14/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	35	\$450	750	\$0.60	Market	6/14/06	35.8%	\$450	\$500	\$650
Garden	--	2	1	65	\$500	900	\$0.56	Market					
Garden	--	3	2	34	\$650	1,050	\$0.62	Market					
									Adjustments to Rent				
									Incentives: None.				
									Utilities in Rent: Heat Fuel: Electric				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Falcon Crest

GA089-009055

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Kensington Manor

Multifamily Community Profile

3360 Mountain Road

CommunityType: Market Rate - General

Structure Type: Garden

340 Units 26.8% Vacant (91 units vacant) as of 6/14/2006

Last Major Rehab in 2003 Opened in 1976



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	20.0%	\$595	728	\$0.82	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	56.5%	\$670	846	\$0.79	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	23.5%	\$787	1,125	\$0.70	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Central A/C; Carpet / Vinyl/Linoleum						
Select Units: Ceiling Fan; Patio/Balcony; Storage						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 6/14/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	68	\$600	728	\$0.82	Market	6/14/06	26.8%	\$595	\$670	\$787
Garden	--	2	2	90	\$700	700	\$1.00	Market					
Garden	--	2	1	102	\$660	975	\$0.68	Market					
Garden	--	3	2	80	\$800	1,125	\$0.71	Market					
									Adjustments to Rent				
									Incentives: —				
									Utilities in Rent: Heat Fuel: Electric				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input checked="" type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Kensington Manor

GA089-009057

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Maple Walk

Multifamily Community Profile

1150 Maple Walk Circle
Decatur, GA

CommunityType: Market Rate - General

Structure Type: Garden

100 Units 0.0% Vacant (0 units vacant) as of 6/14/2006

Opened in 1985



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	100.0%	\$751	1,050	\$0.72	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Gas Fireplace; Carpet / Vinyl/Linoleum						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 6/14/2006) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	100	\$745	1,050	\$0.71	Market	6/14/06	0.0%	--	\$751	--
									Adjustments to Rent				
									Incentives:				
									None.				
									Utilities in Rent: Heat Fuel: Natural Gas				
									Heat:	Cooking:	Wtr/Swr:		
									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
									Hot Water:	Electricity:	Trash:		
									<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		

Maple Walk

GA089-009058

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Park on Covington

Multifamily Community Profile

3961 Covington Hwy
Decatur, GA

CommunityType: Market Rate - General

Structure Type: Garden/TH

141 Units 7.1% Vacant (10 units vacant) as of 6/14/2006

Opened in 1969

Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$505	780	\$0.65	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$648	901	\$0.72	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$780	1,200	\$0.65	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 6/14/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$505	780	\$0.65	--	6/14/06	7.1%	\$505	\$648	\$780
Townhouse	--	2	1.5	--	\$665	1,000	\$0.67	--	3/15/06	7.1%	\$505	\$648	\$780
Garden	--	2	1	--	\$630	801	\$0.79	--					
Townhouse	--	3	1.5	--	\$780	1,200	\$0.65	--					
									Adjustments to Rent				
									Incentives: None				
									Utilities in Rent: Heat Fuel: Electric				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Park on Covington

GA089-008832

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Ridgewood

Multifamily Community Profile

3863 Memorial Dr
Decatur, GA

CommunityType: Market Rate - General

Structure Type: Garden

115 Units 3.5% Vacant (4 units vacant) as of 6/12/2006

Opened in 1987



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	--	\$555	576	\$0.96	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$713	864	\$0.83	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	
Features						
Standard: Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony						
Select Units: Dishwasher						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 6/12/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$550	576	\$0.95	--	6/12/06	3.5%	\$555	\$713	--
Townhouse	--	2	2	--	\$719	864	\$0.83	--					
Garden	--	2	1	--	\$695	864	\$0.80	--					
									Adjustments to Rent				
									Incentives:				
									None				
									Utilities in Rent: Heat Fuel: Electric				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Ridgewood

GA089-009041

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Robins Landing

Multifamily Community Profile

3529 Robins Landing Way
Decatur, GA

Community Type: LIHTC - General

Structure Type: Garden

304 Units 4.3% Vacant (13 units vacant) as of 6/14/2006

Last Major Rehab in 1999 Opened in 1979



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One	--	\$650	750	\$0.87	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$739	850	\$0.87	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	\$996	1,260	\$0.79	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	\$1,099	1,380	\$0.80	Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Stacked); Central A/C						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 6/14/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	--	\$650	750	\$0.87	--	6/14/06	4.3%	\$650	\$739	\$996
Garden	--	2	1	--	\$739	850	\$0.87	--	9/24/04	3.9%	\$480	\$525	\$755
Garden	--	3	2	--	\$996	1,260	\$0.79	--					
Garden	--	4	2	--	\$1,099	1,380	\$0.80	--					
									Adjustments to Rent				
									Incentives: None				
									Utilities in Rent: Heat Fuel: Electric				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Robins Landing

GA089-007540

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Royal Manor

Multifamily Community Profile

3900 Memorial Dr
Decatur, GA

CommunityType: Market Rate - General

Structure Type: Garden

76 Units 7.9% Vacant (6 units vacant) as of 6/12/2006

Opened in 1971



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	46.1%	\$545	900	\$0.61	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	53.9%	\$605	1,125	\$0.54	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Patio/Balcony; Carpet						
Select Units: --						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 6/12/2006) (2)

Historic Vacancy & Eff. Rent (1)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	35	\$540	900	\$0.60	--	6/12/06	7.9%	\$545	\$605	--
Garden	--	2	1.5	41	\$640	1,125	\$0.57	--					
									Adjustments to Rent				
									Incentives:				
									2BR units \$599/month				
									Utilities in Rent: Heat Fuel: Natural Gas				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Royal Manor

GA089-009039

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Salona Park

Multifamily Community Profile

3850 Memorial Drive
Decatur, GA 30032

CommunityType: Market Rate - General

Structure Type: Garden/TH

144 Units 26.4% Vacant (38 units vacant) as of 6/14/2006

Opened in 1976



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One	27.8%	\$496	594	\$0.84	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	13.9%	\$703	1,052	\$0.67	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	5.6%	\$800	1,200	\$0.67	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input type="checkbox"/>	
Features						
Standard: Dishwasher; Central A/C; Patio/Balcony; Carpet / Vinyl/Linoleum						
Select Units: In Unit Laundry						
Optional(\$): --						
Security: Lighting						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Floorplans (Published Rents as of 6/14/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	16	\$475	584	\$0.81	Market	6/14/06	26.4%	\$496	\$703	\$800
Garden	--	1	1	24	\$510	600	\$0.85	Market					
Townhouse / Townhouse	--	2	2.5	12	\$725	1,100	\$0.66	Market					
Garden	--	2	1	8	\$670	980	\$0.68	Market					
Townhouse / Townhouse	--	3	2.5	8	\$800	1,200	\$0.67	Market					
									Adjustments to Rent				
									Incentives: None.				
									Utilities in Rent: Heat Fuel: Natural Gas/El Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input checked="" type="checkbox"/> Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Salona Park

GA089-009047

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(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Southern Pines

Multifamily Community Profile

3330 Mountain Drive
Decatur, GA

CommunityType: Market Rate - General

Structure Type: Garden

404 Units 24.8% Vacant (100 units vacant) as of 6/13/2006

Opened in 1977



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse: <input type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
Eff	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One	2.2%	\$404	745	\$0.54	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
One/Den	--	--	--	--	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two	--	\$575	1,075	\$0.53	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Two/Den	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Three	23.5%	\$673	1,200	\$0.56	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
Four+	--	--	--	--	Playground: <input checked="" type="checkbox"/>	
Features						
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Patio/Balcony; Carpet / Vinyl/Linoleum						
Select Units: In Unit Laundry; Storage						
Optional(\$): --						
Security: --						
Parking 1: Free Surface Parking				Parking 2: --		
Fee: --				Fee: --		
Property Manager: --						
Owner: --						

Comments

Courtesy Officer on site.

There are a total of 219 2BR units. Breakdown of 2BR mix was unavailable.

Floorplans (Published Rents as of 6/13/2006) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	9	\$625	745	\$0.84	Market	6/13/06	24.8%	\$404	\$575	\$673
Garden	--	2	2	--	\$715	1,075	\$0.67	Market					
Garden	--	2	1	--	\$690	1,075	\$0.64	Market					
Garden	--	3	2	95	\$815	1,200	\$0.68	Market					
									Adjustments to Rent				
									Incentives: None				
									Utilities in Rent: Heat Fuel: Natural Gas				
									Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>				
									Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>				

Southern Pines

GA089-009051

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